SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

BOARD AGENDA

Thursday, July 6, 2017
9:00 A.M.

San Diego International Airport
SDCRAA Administration Building – Third Floor
Board Room
3225 N. Harbor Drive
San Diego, California 92101

Live webcasts of Authority Board meetings can be accessed at http://www.san.org/Airport-Authority/Meetings-Agendas/Authority-Board

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

NOTE: Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives $100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. ***PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance /Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.

SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENTATIONS:

A. PORT MASTER PLAN UPDATE:
Presented by the Rafael Castellanos, Vice Chairman - Board of Commissioners, Port of San Diego; and Lesley Nishihira, Principal - Planning & Green Port, Port of San Diego

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
  Committee Members: Gleason, Hollingworth, Robinson (Chair), Schumacher, Sessom, Tartre, Van Sambeek

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
  Committee Members: Gleason, Janney(Chair), Kersey, Robinson

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
  Committee Members: Boling, Cox, Desmond (Chair), Kersey, Schumacher

- **FINANCE COMMITTEE:**
  Committee Members: Boling (Chair), Cox, Janney, Sessom

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
  Liaison: Robinson (Primary), Boling

- **ART ADVISORY COMMITTEE:**
  Committee Member: Gleason

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:**
  Liaison: Janney

- **CALTRANS:**
  Liaison: Berman

- **INTER-GOVERNMENTAL AFFAIRS:**
  Liaison: Cox

- **MILITARY AFFAIRS:**
  Liaison: Woodworth

- **PORT:**
  Liaisons: Boling, Cox, Gleason (Primary), Robinson

- **WORLD TRADE CENTER:**
  Representatives: Gleason (Primary)

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
  Representatives: Boling (Alternate), Janney (Primary)

CHAIR'S REPORT:

PRESIDENT/CEO'S REPORT:

NON-AGENDA PUBLIC COMMENT:
Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

Note: Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

CONSENT AGENDA (Items 1-13):
The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

1. APPROVAL OF MINUTES:
The Board is requested to approve minutes of prior meetings.
RECOMMENDATION: Approve the minutes of the April 24, 2017, special meeting; May 18, 2017, special meeting; and June 1, 2017, regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:
The Board is requested to accept the reports.
RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.
(Corporate & Information Governance: Tony R. Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MAY 8, 2017 THROUGH JUNE 11, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MAY 8, 2017 THROUGH JUNE 11, 2017:
The Board is requested to receive the report.
RECOMMENDATION: Receive the report.
(Procurement: Jana Vargas, Director)

4. JULY 2017 LEGISLATIVE REPORT:
The Board is requested to approve the report.
RECOMMENDATION: Adopt Resolution No. 2017-0054, approving the July 2017 Legislative Report.
(Inter-Governmental Relations: Michael Kulis, Director)

5. APPROVE APPOINTMENTS TO THE ART ADVISORY COMMITTEE:
The Board is requested to approve the appointments.
RECOMMENDATION: Adopt Resolution No. 2017-0055, approving the appointment of Jennifer Easton and Cris Scorza to the Art Advisory Committee.
(Vision, Voice, & Engagement: Lauren Lockhart, Arts Program Manager)

6. GRANT AN EASEMENT TO SAN DIEGO GAS & ELECTRIC:
The Board is requested to grant an easement.
RECOMMENDATION: Adopt Resolution No. 2017-0056, authorizing the President/CEO to negotiate and execute an easement for utility purposes with San Diego Gas & Electric.
(Finance & Asset Management: Kathy Kiefer, Senior Director)

CLAIMS

7. REJECT THE CLAIM OF FUTURE DB INTERNATIONAL, INC.:
The Board is requested to reject the claim.
RECOMMENDATION: Adopt Resolution No. 2017-0057, rejecting the claim of Future DB International, Inc.
(Legal: Amy Gonzalez, General Counsel)

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A REIMBURSABLE AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION (FAA):
The Board is requested to approve an agreement.
RECOMMENDATION: Adopt Resolution No. 2017-0058, approving and authorizing the President/CEO to execute a Reimbursable Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority, for a reimbursable amount not-to-exceed $200,000, for Navaid Equipment Relocation and Site Study at San Diego International Airport.
(Facilities Development: Iraj Ghaemi, Director)

9. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH ANDERSON & KREIGER:
The Board is requested to approve an amendment.
RECOMMENDATION: Adopt Resolution No. 2017-0059, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Anderson & Kreiger LLP for Professional Legal Services increasing the compensation amount by $100,000 for a total not-to-exceed amount of $200,000.
(Legal: Amy Gonzalez, General Counsel)

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING $1 MILLION

10. AWARD A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC. FOR QUIETER HOME PROGRAM PHASE 8, GROUP 12, PROJECT NO. 380812 (84 NON-HISTORIC MULTI-FAMILY UNITS ON 7 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):
The Board is requested to award a contract.
RECOMMENDATION: Adopt Resolution No. 2017-0060, awarding a contract to G&G Specialty Contractors, Inc., in the amount of $1,319,742, for Phase 8, Group 12, Project No. 380812, of the San Diego County Regional Airport Authority's Quieter Home Program.
(Development: Jeffrey Woodson, Vice President)

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FOURTH AMENDMENT TO THE PEST CONTROL AND REMEDIATION SERVICES AGREEMENT WITH CARTWRIGHT TERMITE & PEST CONTROL, INC.:
The Board is requested to approve an amendment.
RECOMMENDATION: Adopt Resolution No. 2017-0061, approving and authorizing the President/CEO to execute a Fourth Amendment to the Pest Control and Remediation Services Agreement with Cartwright Termite & Pest Control, Inc., exercising the Authority's option to extend the Agreement term for the second of two (2) one-year extensions to August 31, 2018, and increasing the amount payable by $800,000 for a total not-to-exceed compensation amount of $7,157,776.
(Environmental Affairs: Brendan Reed, Director)

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN EIGHTH AMENDMENT TO THE ON-CALL SERVICES AGREEMENT WITH RICONDO & ASSOCIATES:
The Board is requested to approve an amendment.
RECOMMENDATION: Adopt Resolution No. 2017-0062, approving and authorizing the President/CEO to execute an Eighth Amendment to the Agreement with Ricondo & Associates for On-Call Services increasing the compensation amount by $1,600,000 for a total not-to-exceed amount of $4,600,000.
(Development: Jeffrey Woodson, Vice President)

13. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY, FOR CLEAR OBJECT FREE AREA (OFA) TAXIWAY B AT SAN DIEGO INTERNATIONAL AIRPORT:
The Board is requested to award a contract.
RECOMMENDATION: Adopt Resolution No. 2017-0065, awarding a contract to Granite Construction Company, in the amount of $5,598,909 for Project No. 104129, Clear Object Free Area (OFA) Taxiway B at San Diego International Airport.
(Facilities Development: Iraj Ghaemi, Director)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

14. DISCUSSION AND POSSIBLE ACTION REGARDING ARTS PROGRAM POLICY 8.50, SECTION 1(G) GIFTS AND LOANS OF ARTWORK:
The Board is requested to discuss Policy 8.50.
RECOMMENDATION: Staff recommends that no amendments be made to Authority Policy 8.50 at this time.
(Vision, Voice, & Engagement: Lauren Lockhart, Arts Program Manager)

15. AWARD A CONTRACT TO GRANITE CONSTRUCTION COMPANY FOR REHABILITATE RUNWAY 9-27 AND REHABILITATE CROSS TAXIWAYS B1, B4-B7, C3, C4 AND C6 AT SAN DIEGO INTERNATIONAL AIRPORT:
The Board is requested to award a contract.
RECOMMENDATION: Adopt Resolution No. 2017-0064, awarding a contract to Granite Construction Company in the amount of $22,839,002.50 for Project No. 104219, Rehabilitate Runway 9-27 and Project No. 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6 at San Diego International Airport.
(Facilities Development: Iraj Ghaemi, Director)

16. AUTHORIZATION OF BOND DOCUMENTS AND SALE OF UP TO $400 MILLION AIRPORT REVENUE BONDS, INCLUDING DELEGATION OF PRICING AUTHORITY, TO REFUND A PORTION OF THE AUTHORITY'S OUTSTANDING SUBORDINATE REVOLVING OBLIGATIONS AND TO FUND THE PARKING PLAZA, FIS AND CAPITAL IMPROVEMENT PROGRAM; AUTHORIZATION OF THE $10 MILLION IRREVOCABLE COMMITMENT OF PASSENGER FACILITY CHARGES IN FY 2018 TO THE PAYMENT OF DEBT SERVICE AND; AUTHORIZATION OF REIMBURSEMENT AGREEMENT:
The Board is requested to authorize bond documents.
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2017-0066, (1) authorizing the issuance and sale of not-to-exceed $400 million in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds; and (2) approving the forms of a Fifth Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Purchase Contract, a Continuing Disclosure Certificate, and certain related matters; and

Adopt Resolution No. 2017-0067, authorizing an irrevocable commitment of certain Passenger Facility Charges for the payment of debt service on the Authority's Senior and Subordinate Obligations and certain related matters; and

Adopt Resolution 2017-0068, authorizing the establishment of a method for the San Diego County Regional Airport Authority to make declarations of official intent in order to permit the Authority to reimburse itself and other parties for capital expenditures with proceeds of future taxable or tax-exempt borrowings in accordance with Internal Revenue Service reimbursement regulations.
(Financial Management: John Dillon, Director)

17. DISCUSSION AND POSSIBLE ACTION REGARDING STREET PRICING REQUIREMENT CONTAINED IN CONCESSION AGREEMENTS:
The Board is requested to discuss street pricing requirements.
RECOMMENDATION: Provide direction to staff.
(Finance & Asset Management: Kathy Kiefer, Senior Director)

18. AUTHORIZE AN AMENDMENT TO THE FEDERAL INSPECTION SERVICES FACILITY AGREEMENT WITH TURNER-PCL, A JOINT VENTURE, ALLOWING THE CONVERSION OF THE BASIS OF PAYMENT OF COSTS INCURRED FOR SUBCONTRACTORS NOT PROCURED COMPETITIVELY FROM TIME AND MATERIALS TO LUMP SUM:
The Board is requested to authorize an amendment.
RECOMMENDATION: Adopt Resolution No. 2017-0063, authorizing an amendment to the Federal Inspection Services Facility agreement with Turner-PCL, a Joint Venture, allowing subcontractors not procured using a competitive process to be paid on a lump sum basis rather than on a time and materials basis.
(Airport Design & Construction: Bob Bolton, Director)

19. DISCUSSION AND POSSIBLE ACTION REGARDING PUBLIC EMPLOYEE COMPENSATION- GENERAL COUNSEL:
The Board is requested to discuss public employee compensation.
RECOMMENDATION: Discuss and possibly take action regarding public employee compensation.
(Authority Board: April C. Boling, Chairman)

20. DISCUSSION AND POSSIBLE ACTION REGARDING PUBLIC EMPLOYEE COMPENSATION- CHIEF AUDITOR:
The Board is requested to discuss public employee compensation.
RECOMMENDATION: Discuss and possibly take action regarding public employee compensation.
(Authority Board: April C. Boling, Chairman)

CLOSED SESSION:

21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL

22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL

23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al., San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC

24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1

25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1

26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 2

27. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7
Number of potential cases: 1

28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 1

29. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Cal. Gov. Code §54957
Title: General Counsel

30. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION:

GENERAL COUNSEL REPORT:

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

BOARD COMMENT:

ADJOURNMENT:

Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)

1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

Additional Meeting Information

NOTE: This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at www.san.org.

For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Administration Building. Bring your ticket to the third floor receptionist for validation.

You may also reach the Administration Building by using public transit via the San Diego Metropolitan Transit System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Administration Building. ADA paratransit operations will continue to serve the Administration Building as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400- 2685.

UPCOMING MEETING SCHEDULE

Date	***Day***	***Time***	***Meeting Type***	***Location***
September 7	Thursday	9:00 a.m.	Regular	Board Room

Item A
Integrated Planning

PORT MASTER PLAN UPDATE

San Diego County Regional Airport Authority | JULY 6, 2017

Vice Chairman Rafael Castellanos, Board of Port Commissioners
Lesley Nishihira, Principal, Planning & Green Port

PORT of SAN DIEGO

THE PORT'S JURISDICTION

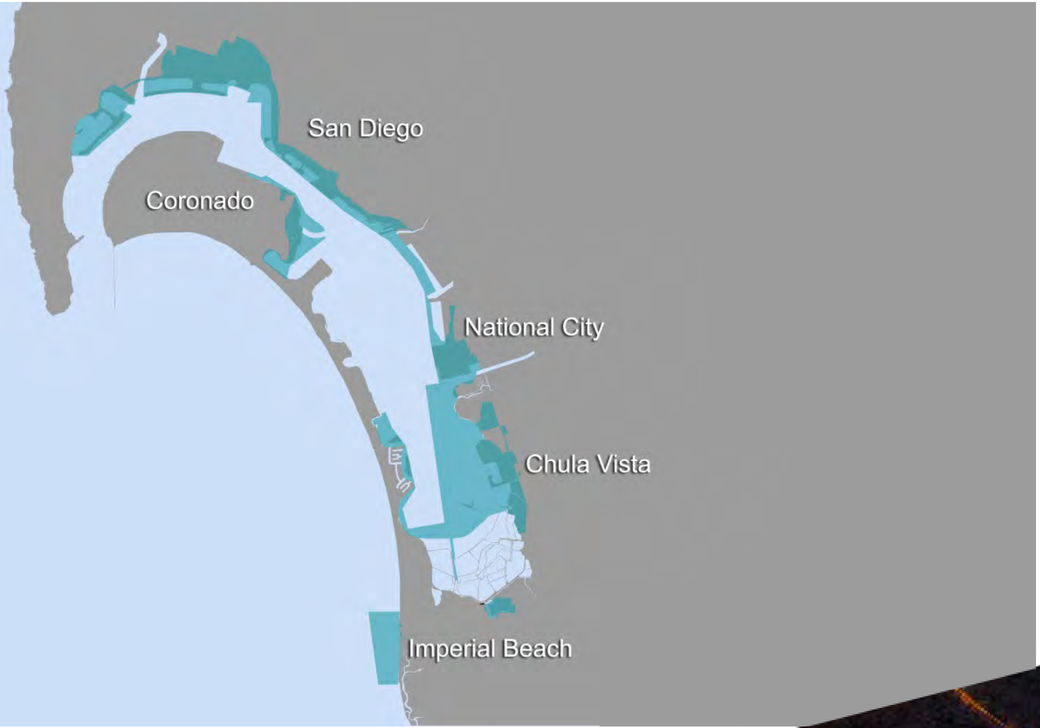
3,535

Acres of Water

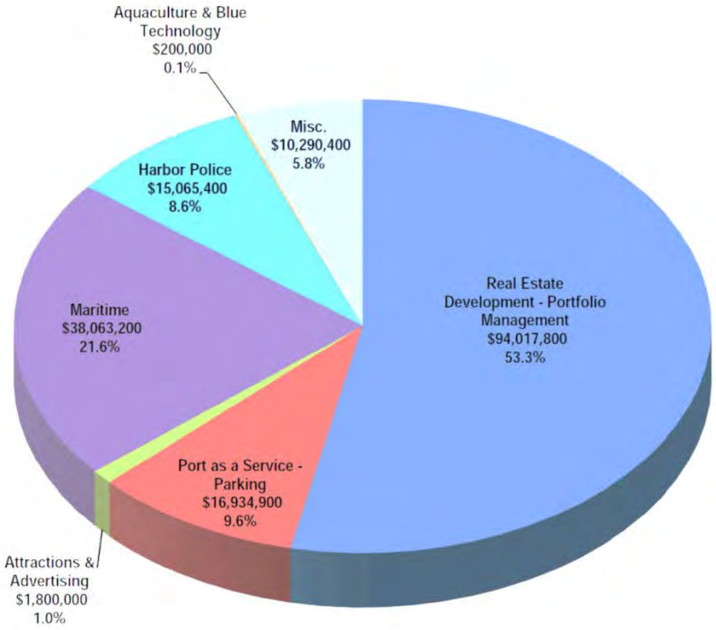
2,403

Acres of Land

Tidelands



PORT OF SAN DIEGO BUDGET FOR FY 2016-2017



TOTAL REVENUE $176,371,700

CURRENT PORT MASTER PLAN:
Organizing Principles

Governing Documents

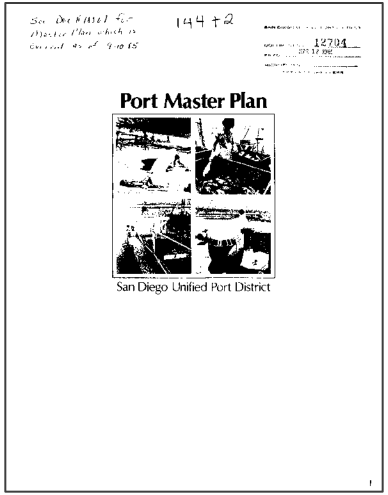
- Port Act
- Public Trust Doctrine
  - Public Access
  - Commerce
  - Navigation
  - Fisheries
  - Environmental Stewardship

Coastal Act

Chapter 3:
Coastal Resources Planning and Management Policies

Chapter 8:
Ports: General Findings, Provisions, Policies, Implementation and Contents for a Port Master Plan

Port Master Plan (1980)



Project Focus

38

Port Master Plan Amendments

SAN DIEGO REGION:

Then and now…

North Embarcadero

San Diego Convention Center

INTEGRATED PLANNING:

A New Planning Paradigm

IDEA

Bold and pragmatic leadership has seized the opportunity to modernize our approach to planning

Potential Outcome of Integrated Planning

A world class Bayfront providing a well-balanced variety of opportunities in and around the Bay that attract people, provide public benefits and optimize the return on investment

Create a Sense of Place

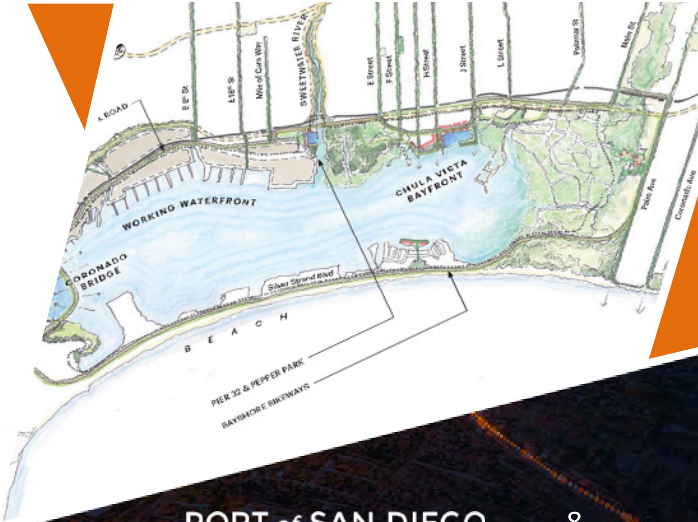
Develop Iconic Destinations

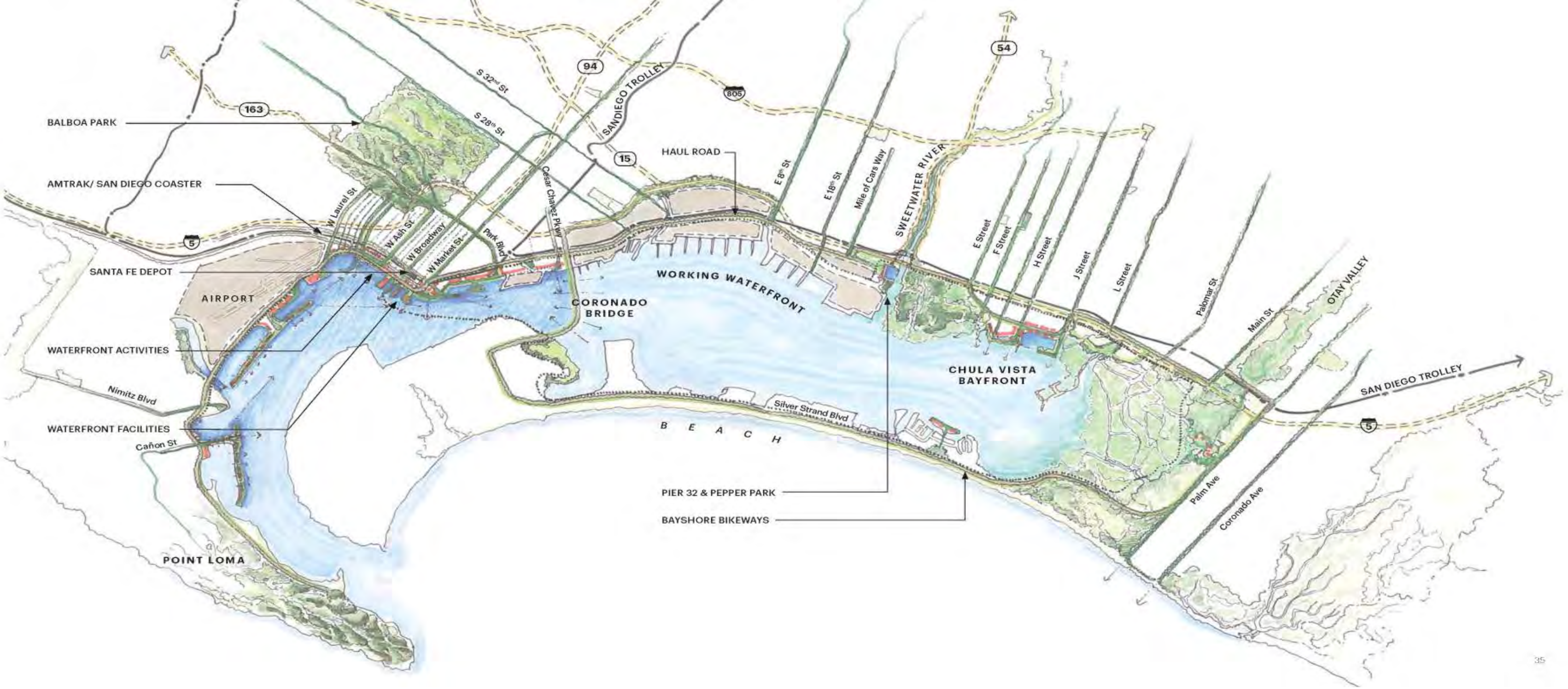
Integrate Adjacent Uses

One Bay, Rich Diversity

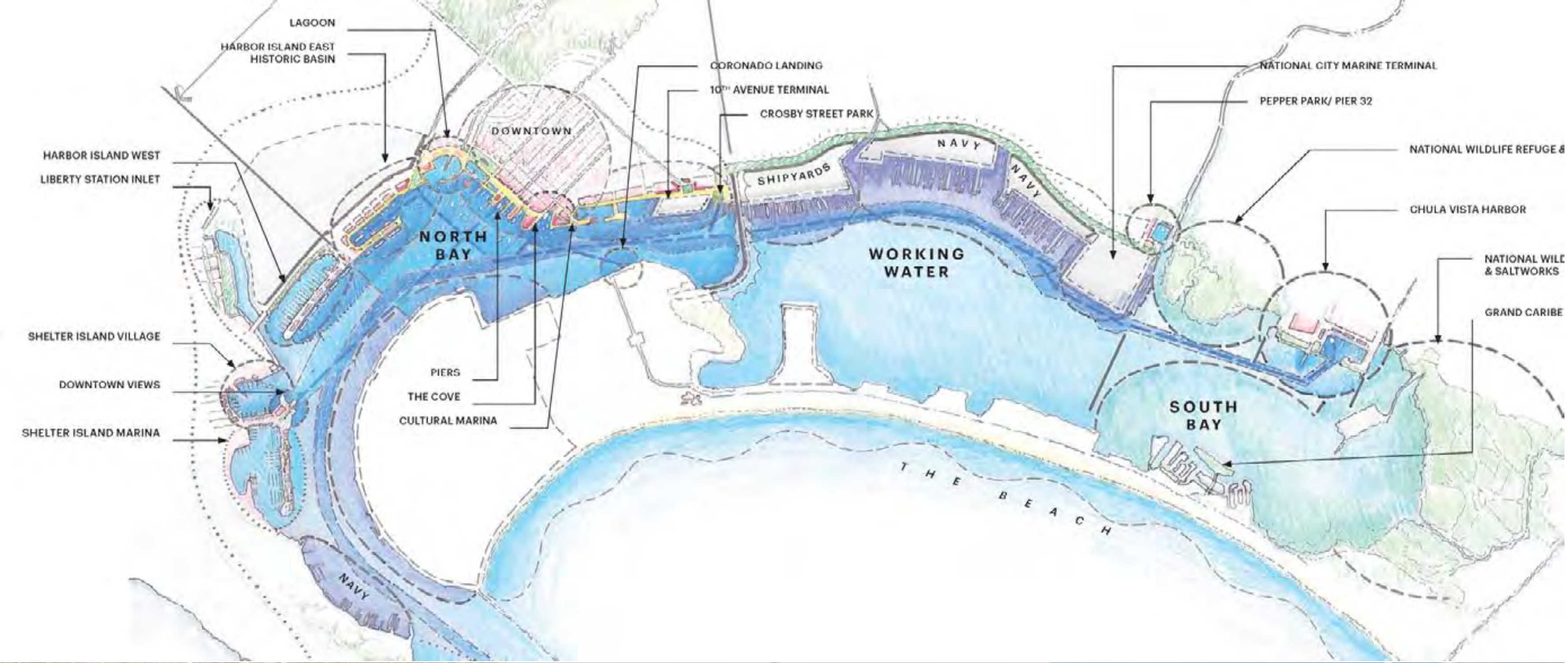
Values and Standards

•Achieve synergy among partnering agencies and stakeholders
•Promote clean air, healthy communities, and environmental justice
•Ensure job creation, prudent economic policies, and financial sustainability
•Preserve the working Port as a dynamic and thriving element of the region’s economy and cultural history
•Incorporate state of the art sustainability practices

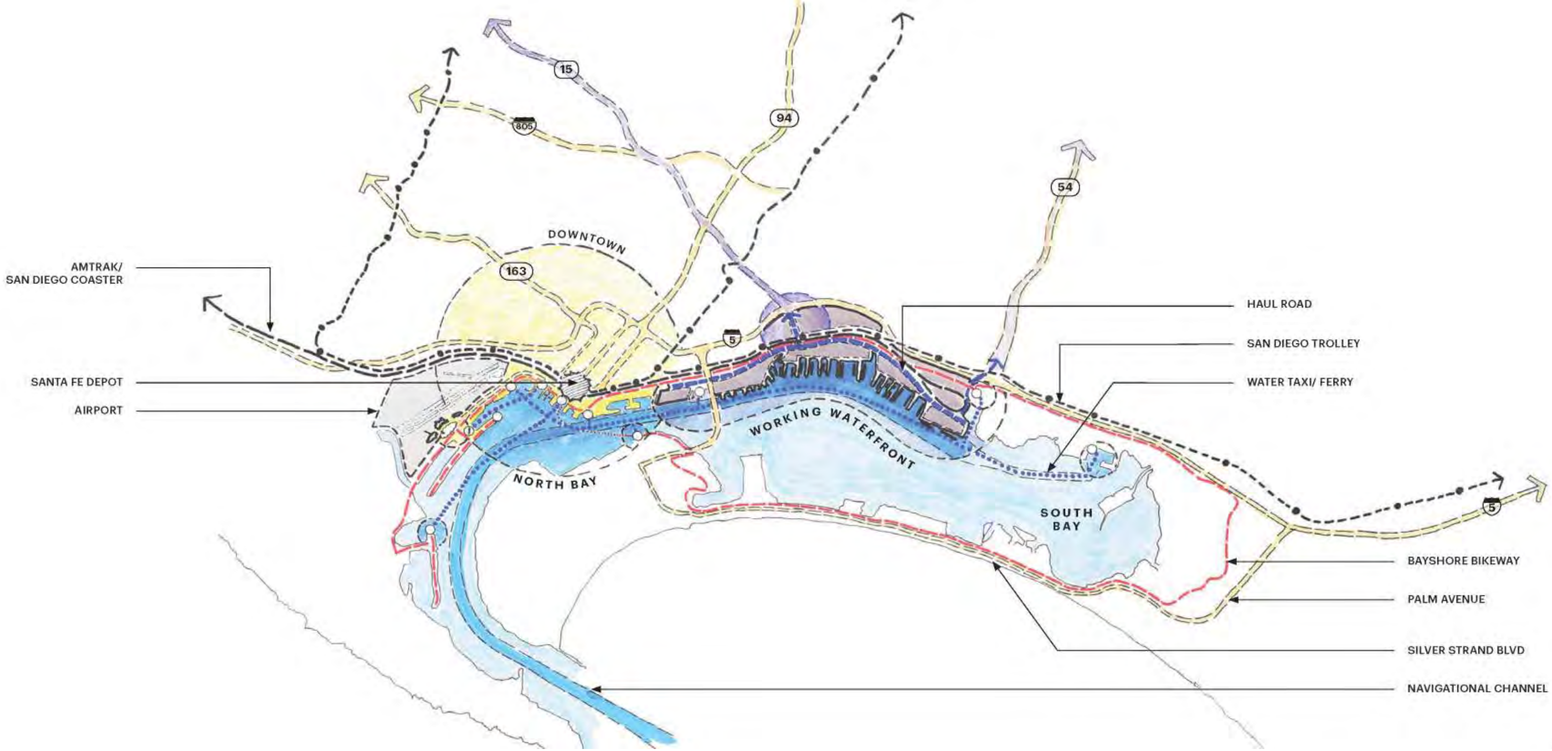




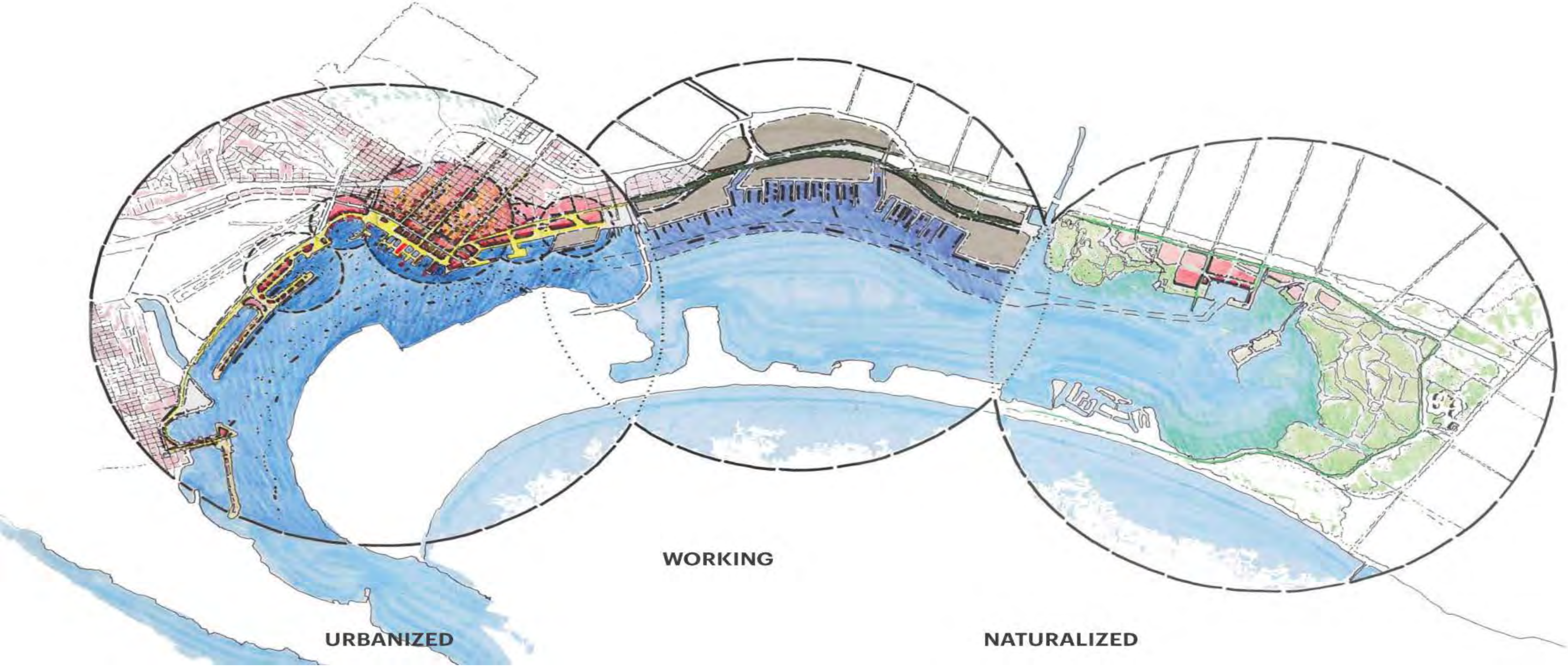
COMPREHENSIVE PARK PLAN



BAYWIDE WATER PLAN



MOBILITY PLAN



LAND USE AND DEVELOPMENT OPPORTUNITIES

PORT MASTER PLAN UPDATE:

Public Engagement to Date

1 **BPC Workshop #1: March 9, 2017**
- Reorganization Approach
- Land and Water Use Designations
- Goals: Land and Water Use Element

2 **Public Open House #1: March 23, 2017**
- Port Administration Building

3 **NOP/Scoping Meeting:**
- NOP Issued March 30th
- Scoping Meeting April 12th

4 **BPC Workshop #2: April 27, 2017**
- Goals: Planning Districts
- Goals: Mobility Element
- Goals: Economic Development Element

5 **Public Open House #2: May 11, 2017**
- National City Aquatic Center

Ongoing Individual Stakeholder Meetings

6 **BPC Workshop #3: May 25, 2017**
- Goals: Coastal Access & Rec. Element
- Goals: Natural Resources Element
- Goals: Resiliency & Safety Element

7 **BPC Meeting: July 11, 2017**
- Present Draft PMPU for EIR Project Description
- Kick-off two-week PMPU Discussion Draft Review

PORT MASTER PLAN UPDATE:

DRAFT Modified Timeline for Increased Public Engagement

2017

Additional Public Engagement & Complete Draft PMPU

2018-2019

Prepare Environmental Impact Report

2019

Process with Coastal Commission

PORT MASTER PLAN UPDATE:
Document Contents

1. Introduction
2. – 7. Elements
8. Planning Districts 1-10
9. Definitions/Glossary

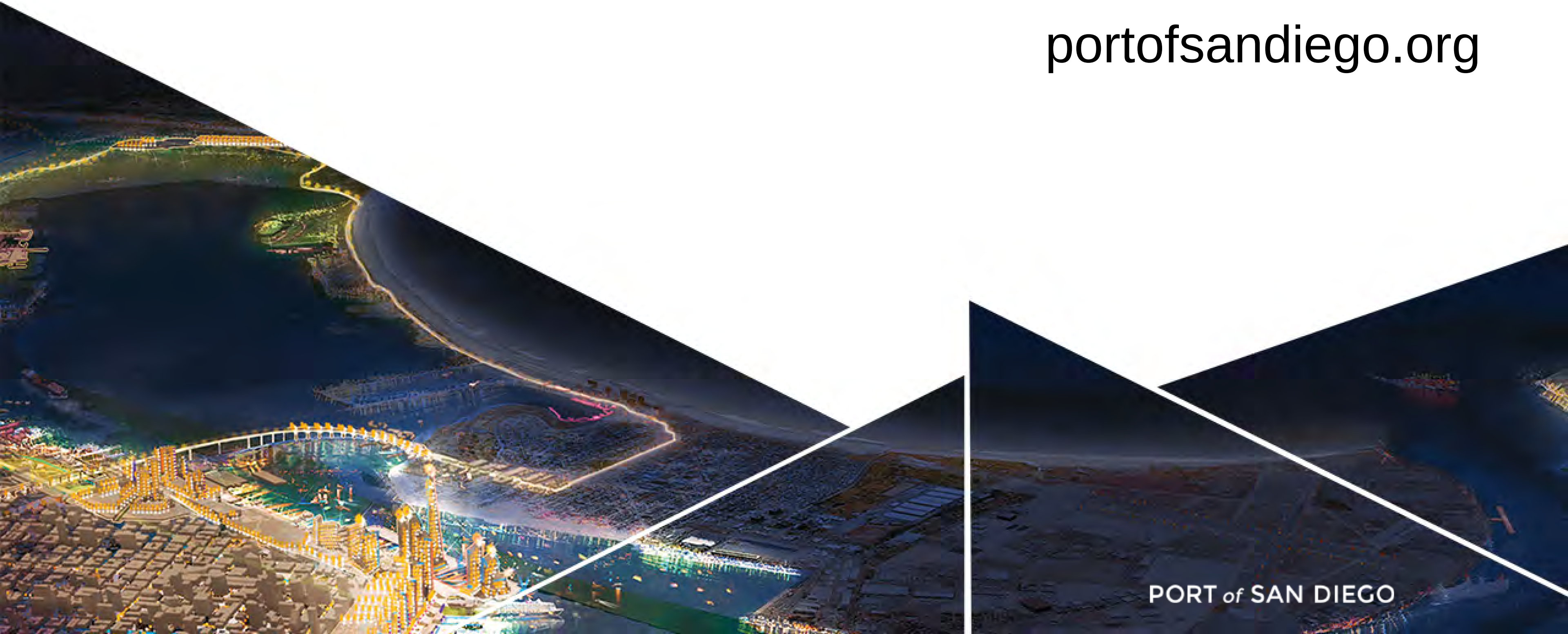
Cross-Connecting Themes

2. Land and Water Use
3. Mobility
4. Coastal Access & Recreation
5. Natural Resources
6. Resiliency and Safety
7. Economic Development

Integrated Planning

PORT MASTER PLAN UPDATE

portofsandiego.org



Item 1

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND
SPECIAL CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE
MEETING
MONDAY, APRIL 24, 2017
BOARD ROOM

CALL TO ORDER: Chair Janney called the Special Capital Improvement Program Oversight Committee and Special Board Meeting to order at 9:30 a.m., on Monday, April 24, 2017, in the Board Room of the San Diego International Airport, Administration Building, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

Board

Present:	Board Members:	Cox, Gleason, Janney (Chair), Kersey, Robinson, Schumacher
Absent:	Board Members:	Berman (Ex-Officio), Boling, Desmond, Ortega (Ex-Officio), Sessom, Woodworth (Ex-Officio)

Capital Improvement Program Oversight Committee

Present:	Committee Members:	Gleason, Janney (Chair), Kersey Robinson
Absent:	Committee Members:	None

Also Present: Angela Shafer-Payne, Interim President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Ariel Levy Mayer, Assistant Authority Clerk I

Board Member Kersey arrived during the course of the meeting.

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the January 19, 2017 regular meeting.

ACTION: Moved by Board Member Robinson and seconded by Board Member Gleason to approve staff's recommendation. Motion carried unanimously, noting Board Member Kersey as ABSENT.

Board Member Kersey arrived at 9:35 a.m.

BOARD

WORKSHOP:

2. CAPITAL PROGRAM BUDGET FISCAL YEARS 2018-2022:
Jeffrey Woodson, Vice President, Development provided a presentation on the Capital Program Budget for Fiscal Years 2018-2022 which included CIP Project Development Process, Capital Program Overview, Current Capital Program Project Status, Current FY 2017-2021 Capital Program Budget by Location, Project Closeouts/Cancellations/Adjustments/Budget Summary, Proposed New FY 2018-2022 CIP Projects/Adjustments/Allowances/Budget Summary, Current/Proposed Capital Program Project Locations, and Prioritization Criteria.

Board Member Kersey suggested that in the long-term, charging stations could be located in the valet because cars can be moved around as charging doesn't take long.

Board Member Gleason requested to see all Northside projects, to include what is planned and what's been completed.

Board Member Gleason left at 10:12 a.m.

Chair Janney suggested that staff consider incorporating some of the current administrative staff in the new Facilities Maintenance shops.

In response to Board Member Robinson's concern regarding capital for the Airport Development Plan Terminal 1 Phase 1 project, John Dillon, Director, Financial Management stated that the value for money analysis for the Airport Development Plan would be done in July.

In response to Board Member Cox regarding the cost of the ADP, Mr. Woodson stated that the preliminary cost is between $2.5 to $4 billion.

Ms. Shafer-Payne stated, in regards to Terminal 1 Phase 1, that the definition of shovel ready by 2019 is having the environmental approvals and the site ready, not the financing. Once a more definitive cost estimate is determined financing options would be presented.

Board Member Robinson suggested that staff talk with airlines now regarding the options for financing Terminal 1.

BOARD AND COMMITTEE MEMBER COMMENTS: None.

ADJOURNMENT: The meeting was adjourned at 10:34 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6th DAY OF JULY, 2017.

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
SPECIAL MEETING
MINUTES
THURSDAY, MAY 18, 2017
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM

CALL TO ORDER: Board Member Janney called the special meeting of the San Diego County Regional Airport Authority Board to order at 9:13 a.m. on Thursday, May 18, 2017, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101. A quorum of the Board was not present at the time the meeting was called to order.

PLEDGE OF ALLEGIANCE: Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk, led the Pledge of Allegiance.

ROLL CALL:

PRESENT:	Board Members:	Boling (Chairman), Gleason, Janney, Kersey, Schumacher, Sessom
ABSENT:	Board Members:	Berman (Ex Officio), Cox, Desmond, Ortega (Ex Officio), Robinson, Col. Woodworth (Ex-Officio)
ALSO PRESENT:	Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Ariel Levy Mayer, Assistant Authority Clerk I	

Chairman Boling and Board Member Gleason arrived during the course of the meeting.

NON-AGENDA PUBLIC COMMENT: None.

NEW BUSINESS:

1. DISCUSSION REGARDING THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FISCAL YEAR 2018 PROPOSED BUDGET AND FISCAL YEAR 2019 PROPOSED CONCEPTUAL BUDGET:
John Dillon, Director, Financial Management, provided a presentation on the SDCRAA FY 2018 Proposed Budget & FY 2019 Proposed Conceptual Budget which included the Strategic Plan, Economic, Industry and Credit Overview, Budget Process, Budget Overview, Capital Program Budget, and the Plan of Finance for FY 2018-2022.

Chairman Boling arrived at 9:25 a.m., which established a quorum of the Board.

Chairman Boling expressed concern regarding the 2019 proposed Conceptual Budget increase in non-airline revenue for Ground Transportation Permits and Citations of $2.9 Million, stating that she does not believe the Authority will receive such an increase and that she is uncomfortable with the revenue forecast. She also stated that she disagrees and has concerns with the restrictions on Passenger Facility Charges (PFC's) and Customer Facility Charges (CFC's).

Board Member Gleason arrived at 9:38 a.m.

In response to Chairman Boling's inquiry regarding the Capital Program projects, Mr. Brickner stated the CIP projects were taken out of the ADP plan and that staff would follow up with the overall ADP budget.

Chairman Boling suggested that the Authority be mindful of the sensitivity of the budget to enplanements and stated that she is not comfortable with the $2.9 Million increase in Ground Transportation Permits and Citations revenue in the 2019 proposed Conceptual Budget.

RECOMMENDATION: Discuss the Fiscal Year 2018 Proposed Budget and Fiscal Year 2019 Proposed Conceptual Budget.

BOARD COMMENT: None.

ADJOURNMENT: The meeting was adjourned at 11:10 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6th DAY OF JULY, 2017.

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD MINUTES
THURSDAY, JUNE 1, 2017
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM

CALL TO ORDER: Chairman Boling called the regular meeting of the San Diego County Regional Airport Authority to order at 9:04 a.m. on Thursday, June 1, 2017, in the Board Room at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Kersey led the Pledge of Allegiance.

ROLL CALL:

PRESENT:	Board Members:	Berman (Ex-Officio), Boling (Chairman), Desmond, Janney, Kersey, Robinson Schumacher, Sessom
ABSENT:	Board Members:	Cox, Gleason, Ortega (Ex Officio), Woodworth (Ex Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Ariel Levy-Mayer, Assistant Authority Clerk I

PRESENTATIONS:

A. FEDERAL LEGISLATIVE UPDATE:
Mike Kulis, Director, Inter-Governmental Relations, and Sam Whitehorn, Signal Group provided a presentation on the Federal Legislative Update, which included Political Environment, Executive Orders, Major Legislative Issues, Infrastructure Initiative, FAA Reauthorization and the President's FY 18 Budget Proposal.

B. INNOVATION LAB UPDATE:
Rick Belliotti, Director, Innovation and Small Business Development provided a presentation on the Innovation Lab Update, which included, Background, Key Objectives, Lab Space, Lab Benefits, Examples in Other Sectors, Publicity, Implementation Vision, and Next Steps.

REPORTS FROM BOARD COMMITTEES, AD HOC COMMITTEES, AND CITIZEN COMMITTEES AND LIAISONS:

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.

- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:** None.

- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** Board Member Desmond reported that the Committee met on May 11, 2017, with the Chief Auditor and General Counsel to review their goals and would meet again today in Closed Session for their performance evaluations. He also reported that the committee met with Kimberly Becker and that her performance evaluation will be held at the September Board meeting.

- **FINANCE COMMITTEE:** Chairman Boling reported that at the May 22 Finance Committee meeting, the Committee reviewed the financial statements and investment report and `recommended amendments to Policies 4.20 and 4.40 which are on the consent agenda today.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.

- **ART ADVISORY COMMITTEE:** None.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN:** None.

- **CALTRANS:** Board Member Berman (Ex Officio) reported that Chris Schmidt, Caltrans representative to the Advisory Committee has taken a job in Sacramento and Barbara Kent is the interim Advisory Committee Member. She also reported that San Diego has been designated as an autonomous vehicle testing ground and with the passing of Senate Bill 1, work can begin on deferred maintenance projects.

- **INTER-GOVERNMENTAL AFFAIRS:** Mike Kulis, Director, Inter-Governmental Relations, reported that President Trump released his $4.1 Trillion FY 2018 budget proposal, which staff and the Authority's legislative consultants are currently monitoring. He also reported that staff provided an airport briefing and tour for the Young Legislators Program on May 20th and will do so on June 27th for San Diego City Attorney, Mara Elliott.

- **MILITARY AFFAIRS:** None.

- **PORT:** None.

- **WORLD TRADE CENTER:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** Board Member Janney reported that a joint meeting with the Regional Planning Committee is scheduled for tomorrow.

CHAIR'S REPORT: Chairman Boling reported that on May 5th she attended the Edelweiss Air Promotion event in Zurich and that the event was very well received, with the new service launching June 9th. She also reported upon her arrival at the San Diego International Airport she was assisted by Traffic Officers and thanked them for their attentiveness and great customer service.

PRESIDENT/CEO'S REPORT: Kimberly Becker, President/CEO, reported that she attended the ACI-NA's 2017 Airport Construction Strategy Summit in Los Angeles and that the sessions focused on improving capital project delivery, managing construction, project delivery risks and P3's. She reported that Iraj Ghaemi and Bob Bolton represented SAN on two panels. She also reported that TSA cannot offer additional staffing for the summer travel season and that the Airport is launching its Checkpoint Assistant program for the second consecutive year. She reported that Checkpoint Assistants will work in shifts between the hours of 5 a.m. – 7 p.m. at security checkpoints, based on need, to support the TSA in non-essential roles, such as passenger divesting and bin running, and the Federal Inspection Service (FIS) to manage lines and offer directional assistance.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-12):

ACTION: Moved by Board Member Robinson and seconded by Board Member Desmond to approve the Consent Agenda. Motion carried by the following vote: YES – Boling, Desmond, Janney, Kersey, Robinson, Schumacher, Sessom; NO – None; ABSENT – Cox, Gleason (Weighted Vote Points: YES – 78; NO – 0; ABSENT – 22).

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the May 4, 2017 regular meeting and April 24, 2017 Special meeting.

2. **ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:**
RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM APRIL 10, 2017 THROUGH MAY 7, 2017 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM APRIL 10, 2017 THROUGH MAY 7, 2017:**
RECOMMENDATION: Receive the report.

4. **JUNE 2017 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2017-0046, approving the June 2017 Legislative Report.

5. **APPOINTMENT OF PUBLIC MEMBER TO THE AUDIT COMMITTEE:**
RECOMMENDATION: Adopt Resolution No. 2017-0047, appointing Don Tartre to a new term as a Public Member to the Audit Committee.

CLAIMS

COMMITTEE RECOMMENDATIONS

6. **REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2017:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.

7. **FISCAL YEAR 2017 THIRD QUARTER ACTIVITIES REPORT AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board accept the information.

8. **FISCAL YEAR 2018 PROPOSED AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2017-0048, approving the proposed Fiscal Year 2018 Audit Plan.

9. **ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.20 – POLICY GUIDELINES FOR PRUDENT INVESTMENTS, DELEGATION OF AUTHORITY TO INVEST AND MANAGE AUTHORITY FUNDS TO THE VICE PRESIDENT, FINANCE AND ASSET MANAGEMENT/TREASURER:**
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2017-0049, approving amendments to Authority Policy 4.20 – Policy Guidelines for Prudent Investments, and delegating authority to invest and manage Authority funds to the Vice President, Finance and Asset Management/Treasurer.

10. ANNUAL REVIEW AND APPROVAL OF AMENDMENTS TO AUTHORITY POLICY 4.40 – DEBT ISSUANCE AND MANAGEMENT:
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2017- 0050, approving amendments to Authority Policy 4.40 - Debt Issuance and Management Policy.

CONTRACTS AND AGREEMENTS

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE SERVICE AGREEMENTS WITH CLEANTECH SAN DIEGO AND SENSEOPS FOR CONDENSATE SENSOR DEPLOYMENT UNDER THE SAN DIEGO FOUNDATION'S SMART CITIES & WATER SOLUTIONS GRANT PROGRAM:
RECOMMENDATION: Adopt Resolution No. 2017-0051, approving and authorizing the President/CEO to execute service agreements with Cleantech San Diego and SenseOps for condensate sensor deployment, for a term extending to May 1, 2018.

CONTRACTS AND AGREEMENTS AND/OR AMENDMENTS TO CONTRACTS AND AGREEMENTS EXCEEDING $1 MILLION

12. ADOPT RESOLUTION NO. 2017-0042R REFLECTING CORRECT CONTRACT AMOUNT FOR PROJECT NO. 104210, TERMINAL TWO EAST IMPROVEMENTS:
RECOMMENDATION: Adopt Resolution No. 2017-0042R, awarding a contract to Prava Construction Services, Inc. In the amount of $3,581,683.22 for Project No. 104210, Terminal Two East Improvements at San Diego International Airport.

PUBLIC HEARINGS:

OLD BUSINESS:

13. DISCUSSION AND POSSIBLE ACTION REGARDING ASSEMBLY BILL 805:
Mike Kulis, Director, Inter-Governmental Relations, provided a presentation on Assembly Bill 805 (AB805), which included, Background and Status of AB 805.

Board Member Desmond stated that he is opposed to AB 805 as it will hurt regional transportation and that it gives no voice to smaller cities with the amended weighted vote process.

Board Member Desmond made a motion to OPPOSE AB 805, Board Member Sessom seconded this motion and stated that the Airport is a part of the regional transportation system.

Board Member Kersey stated that Sacramento intervenes in local issues all the time and over reaches local control. He also stated that if the airport is to weigh in on this bill, it should be impactful to Airport operations, otherwise we risk diluting our voice if we weigh in on things that don't directly impact the Airport.

Board Member Schumacher expressed his support for the motion stating that Sacramento has been slowly chipping away at local control and that as this is a local issue, the control should stay with the San Diego Association of Governments (SANDAG).

Board Member Janney expressed his support for the motion and stated that it is terrible for legislation to get into this.

Board Member Desmond stated that with this bill, smaller cities won't have a voice or get the dollars they need for projects in their areas.

Board Member Sessom expressed concern that the agencies impacted cannot choose their leadership.

Chairman Boling stated that if the Board opposes AB 805 that the Board should be clear on what we do and don't agree with in the bill.

Board Member Desmond clarified his motion to OPPOSE AB 805 UNLESS AMENDED, to maintain the current Board voting process for SANDAG, San Diego Metropolitan Transit System (MTS), and North County Transit District (NCTD) and allow the Boards of SANDAG, MTS, and NCTD to select their own Chairs. Board Member Sessom seconded the motion.

RECOMMENDATION: Adopt Resolution No. 2017-0044, adopting a WATCH position on Assembly Bill 805.

ACTION: Moved by Board Member Desmond and seconded by Board Member Sessom to OPPOSE AB 805 UNLESS AMENDED to maintain the current Board voting process for SANDAG, MTS, and NCTD; and to allow the Boards of SANDAG, MTS, and NCTD to select their own Chairs. Motion carried by the following vote: YES – Boling, Desmond, Janney, Schumacher, Sessom; NO – Robinson; ABSENT – Cox, Gleason; ABSTAIN - Kersey (Weighted Vote Points: YES – 57; NO – 8; ABSENT – 22; ABSTAIN - 13).

<u>NEW BUSINESS:</u>

14. APPROVAL AND ADOPTION OF THE OPERATING BUDGET FOR FISCAL YEAR 2018, THE CAPITAL PROGRAM FOR FISCAL YEARS 2018-2022, AND CONCEPTUAL APPROVAL OF THE OPERATING BUDGET FOR FISCAL YEAR 2019:

Scott Brickner, Vice President, Asset and Financial Management/Treasurer, provided a presentation on the SDCRAA FY 2018 Proposed Budget, Capital Program for FY 2018-2022, and FY 2019 Proposed Conceptual Budget, which included Budget Overview, Capital Program Budget, and Plan of Finance FY 2018-2022.

KAMRAN HAMIDI, SAN DIEGO, spoke regarding the taxi trip fee and cost recovery.

In response to Board Member Sessom's inquiry regarding whether the Airport is charging cost recovery or more than cost recovery for the taxi trip fee, Mr. Brickner stated that the taxi rate is based on cost recovery and does not exceed the amount of cost recovery.

Chairman Boling clarified that, as the Aiport, we have the ability to charge fees that are reasonable, she stated that at this point, the Airport has chosen to base the access fee on cost recovery.

RECOMMENDATION: Adopt Resolution No. 2017-0053, approving and adopting the Authority's Annual Operating Budget for Fiscal Year 2018, the Capital Program for Fiscal Years 2018-2022, and conceptually approving the Operating Budget for Fiscal Year 2019.

ACTION: Moved by Board Member Sessom and seconded by Board Member Janney to approve staff's recommendation. Motion carried by the following vote: YES – Boling, Desmond, Janney, Kersey, Robinson, Schumacher, Sessom; NO –None; ABSENT – Cox, Gleason; (Weighted Vote Points: YES – 78; NO – 0; ABSENT – 22).

Board Member Sessom requested that an update on the letter received from SSP regarding concession pricing be added to the agenda, she questioned if the update would include if it is justified and how it addresses healthcare.

The Board recessed at 10:35 a.m. and reconvened at 10:53 a.m.

BOARD COMMENT: None.

CLOSED SESSION: The Board recessed into Closed Session at 10:53 a.m. to discuss Items 15, 23, 25 and 26.

15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: GGTW LLC v San Diego County Regional Airport Authority, et al., San Diego Superior Court Case No. 37-2016-00032646-CU-BC-CTL

16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL

17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al., San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC

18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1

19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
The Receipt of a Government Claim from Cal-a-Vie Spa
Number of potential cases: 1

20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1

21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 2

22. CONFERENCE WITH LEGAL COUNSEL –ANTICIPATED LITIGATION:
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
In re Seaport Airlines, Inc., U.S. Bankruptcy Court Case No. 16-30406-rld7
Number of potential cases: 1

23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 1

24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS AND WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:
(Gov. Code §§54956.9(d)(e)(1) and 54954.5(b))
Property: Concession leases (food & beverage) with Host, High Flying Foods and SSP
Agency Negotiator: Scott Brickner, Kathy Kiefer and Eric Podnieks
Negotiating Parties: Host, High Flying Foods San Diego Partnership, SSP America, Inc. and Stellar Partners, Inc.
Under negotiation: rent (price and terms of payment), closure/conversion of locations, new concession buildout, ACDBE participation, lease compliance issues, claim by Host and close outs/permits.

25. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Cal. Gov. Code §54957
Title: General Counsel

26. PUBLIC EMPLOYEE PERFORMANCE EVALUATION:
Cal. Gov. Code §54957
Title: Chief Auditor

REPORT ON CLOSED SESSION: The Board reconvened into Open Session at 12:40 p.m. There was no reportable action.

GENERAL COUNSEL REPORT: None.

BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REPORTS FOR BOARD MEMBERS, PRESIDENT/CEO, CHIEF AUDITOR AND GENERAL COUNSEL WHEN ATTENDING CONFERENCES, MEETINGS, AND TRAINING AT THE EXPENSE OF THE AUTHORITY:

ADJOURNMENT: The meeting was adjourned at 12:40 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6th DAY OF JULY, 2017.

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
2

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Acceptance of Board and Committee Members Written Reports on Their Attendance at Approved Meetings and Pre-Approval of Attendance at Other Meetings Not Covered by the Current Resolution

Recommendation:

Accept the reports and pre-approve Board Member attendance at other meetings, trainings and events not covered by the current resolution.

Background/Justification:

Authority Policy 1.10 defines a "day of service" for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a "day of service". The reports were also reviewed pursuant to Board Resolution No. 2009-0149R, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

The Board is also being requested to pre-approve Board Member attendance at meetings of the multi-agency policy group addressing off-airport roadway access.

Fiscal Impact:

Board and Committee Member Compensation is included in the FY 2017 Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

APRIL BOLING

SDCRAA
JUN 23 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: June, 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
C. APRIL BOLING		6/30/17
TYPE OF MEETING	**DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING**	**SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING**
☑ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: June 1, 2017 Time: 9:00 am Location: Airport	ALUC/Board Meeting
☐ Brown Act ☐ Pre - approved ☑ Res.2009-0149R	Date: June 8, 2017 Time: 5:00 pm Location: San Diego Marriott	LEAD SD Annual Visionary Awards
☐ Brown Act ☐ Pre - approved ☑ Res.2009-0149R	Date: June 9, 2017 Time: 4:30 pm Location: Airport	Lufthansa/Edelweiss Inaugural Flights
☑ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: June 26, 2017 Time: 9:00 am Location: Airport	Exec./Finance Committee Meeting
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: ____________________

GREG COX

SDCRAA
JUN 26 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
Period Covered: JUNE 1-30 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
GREG COX		JUNE 26, 2017
TYPE OF MEETING	**DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING**	**SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING**
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: JUNE 26, 2017 Time: 9:00am Location: SDIA	SDCRAA EXECUTIVE/FINANCE COMMITTEE
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Greg Cox

JIM DESMOND

SDCRAA
JUN 05 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
Period Covered: _____April – June 2017______________

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Jim Desmond		04 June 2017
TYPE OF MEETING	**DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING**	**SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING**
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: April 6, 2017 Time: 9am Location: SDIA	Board Meeting
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: April 13, 2017 Time: 10am Location: SDIA	EPCC meeting
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: May 4, 2017 Time: 9am Location: SDIA	Board Meeting
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: May 11, 2017 Time: 10am Location: SDIA	EPCC meeting
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: June 1, 2017 Time: 9am Location: SDIA	Board Meeting
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Jim Desmond
Signature: ______________________________

ROBERT H. GLEASON

SDCRAA
JUN 23 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
Period Covered: JUNE 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
ROBERT H. GLEASON		June 19, 2017
TYPE OF MEETING	**DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING**	**SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING**
✓ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: June 26, 2017 Time: 9:00 am Location: SDCRAA offices	Executive / Finance Committee meeting
✓ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: June 29, 2017 Time: 9:00 am Location: SDCRAA offices	Art Advisory Committee meeting
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: ______________

MARK KERSEY

SDCRAA
JUN 13 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: June 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
Mark Kersey		6/13/17
TYPE OF MEETING	**DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING**	**SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING**
☑ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: June 1, 2017 Time: 9:00 am Location: 3225 N. Harbor Drive	Board Meeting
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: ____________

PAUL ROBINSON

SDCRAA
JUN 26 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary

Period Covered: 6/30/17

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME:		DATE:
PAUL ROBINSON		6-26-17
TYPE OF MEETING	**DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING**	**SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING**
☒ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: 6/1/17 Time: 9:00 — 12:30 pm. Location: SDCRAA Bd Rm	SDCRAA Bd/ALUC Mtgs
☒ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: 6/26/17 Time: 9:00 am — 11:00 am. Location: SDCRAA Bd Rm	SDCRAA Exec.
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	
☐ Brown Act ☐ Pre - approved ☐ Res.2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: [signature]

MARY SESSOM

SDCRAA
JUN 08 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
Period Covered: May 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Mary Sessom		6-8-17
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
✓ Brown Act Pre-approved Res. 2009-0149R	Date: 5-4-17 Time: 9:00 AM Location: SDCRAA	Board/ALUC Meetings
✓ Brown Act Pre-approved Res. 2009-0149R	Date: 5-18-17 Time: 9:00 Am Location: SDCRAA	Board Budget Workshop
✓ Brown Act Pre-approved Res. 2009-0149R	Date: 5-22-17 Time: 9:00 AM Location: SDCRAA	Executive/Finance Committee Meetings
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Mary Sessom

SDCRAA
JUN 28 2017
Corporate & Information Governance

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Board Member Event/Meeting/Training Report Summary
Period Covered: JUNE 2017

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
MARY SESSOM		6-28-17
TYPE OF MEETING	**DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING**	**SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING**
☑ Brown Act ☐ Pre-approved ☐ Res. 2009-0149R	Date: 6-1-17 Time: 9:00 AM Location: SDCRAA	AUTHORITY BOARD/ALUC Meeting
☑ Brown Act Pre-approved Res. 2009-0149R	Date: 6-26-17 Time: 9:00 AM Location: SDCRAA	EXECUTIVE/FINANCE COMMITTEE MEETING
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: Mary J Sessom

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
3

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Awarded Contracts, Approved Change Orders from May 8, 2017 through June 11, 2017 and Real Property Agreements Granted and Accepted from May 8, 2017 through June 11, 2017

Recommendation:

Receive the Report.

Background/Justification:

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

Fiscal Impact:

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission. Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreement is identified for consideration on Attachment B.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☒ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Inclusionary Policy requirements were included during the solicitation process prior to the contract award.

Prepared by:

JANA VARGAS
DIRECTOR, PROCUREMENT

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN May 8, 2017 - June 11, 2017

New Contracts

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
5/11/2017		Todd W. Bressi	The Contractor will provide a new Arts Master Plan for the San Diego International Airport.	RFP	Vision, Voice & Engagement	$135,970.00	4/30/2018
5/15/2017		Paradigm Press, Inc.	The Contractor will advertise the San Diego International Airport's parking facilities, air service and concessions in the Alaska Airlines Magazine.	Informal RFP	Vision, Voice & Engagement	$10,000.00	4/31/2017
5/7/2017		Chula Vista Electric Co.	The Contractor is one of three contractors pre-qualified and approved to bid on on-call low voltage and fiber optic installation and repair services at San Diego International Airport.	RFQ	Facilities Management	$ 900,000.00	5/17/20
5/7/2017		Tel Tech Plus, Inc.	The Contractor is one of three contractors pre-qualified and approved to bid on on-call low voltage and fiber optic installation and repair services at San Diego International Airport.	RFQ	Facilities Management	$ 900,000.00	5/17/20
5/7/2017		Intersect Technology Institute, Inc.	The Contractor is one of three contractors pre-qualified and approved to bid on on-call low voltage and fiber optic installation and repair services at San Diego International Airport.	RFQ	Facilities Management	$ 900,000.00	5/17/20
5/22/2017		Outfront Media	The Contractor will provide billboard advertising services at the corner of Hawthorne and Ketnner Street for the San Diego International Airport.	Informal RFP	Vision, Voice & Engagement	$950.00	5/9/2017
5/22/2017		Outfront Media	The Contractor will provide mobile advertising services for the San Diego International Airport.	Informal RFP	Vision, Voice & Engagement	$1,000.00	6/1/2017
6/1/2017		KC Nonprofits	The Contractor will provide fundraising consultant services related to the Palm Street Observation Area Public Art Project at San Diego International Airport.	Informal RFP	Vision, Voice & Engagement	$7,000.00	12/10/2017
6/5/2017		San Diego Tourism Authority	The Contractor will provide printed advertising services for San Diego International Airport.	Informal RFP	Vision, Voice & Engagement	$17,000.00	12/31/2019
6/5/2017		San Diego Tourism Authority	The Contractor will provide online advertising services for San Diego International Airport.	Informal RFP	Vision, Voice & Engagement	$35,750.00	12/31/2020

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN May 8, 2017 - June 11, 2017

New Contracts Approved by the Board

Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
5/5/2017		Frasca & Associates, LLC	The contract was approved by the Board at the April 6, 2017 Board Meeting. The Contractor will provide strategic financial advise and assistance with the implementation of the Authority's Plan of Finance at the San Diego County Regional Airport Authority.	RFP	Business and Financial Management	$2,500,000.00	4/6/2020
5/28/2017		Ocean Blue Environmental Services, Inc.	The contract was approved by the Board at the April 6, 2017 Board Meeting. The Contractor will provide on-call hazardous waste management services for San Diego International Airport.	RFQ	Environmental Affairs	$7,000,000.00	5/18/2020
6/9/2017		Hood Design Studio Inc.	The contract was approved by the Board at the April 6, 2017 Board Meeting. The Contractor will design, fabricate and install the Artwork for the capital improvement project entitled " Federal Inspection Services Facility, Public Art Projects, Glass Partition Wall Artwork".	RFQ	Vision, Voice & Engagement	$950,000.00	10/31/2018

Attachment "A"

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN May 8, 2017 - June 11, 2017

Amendments and Change Orders

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value (%) (+ / -)	New Contract Value	New End Date
5/5/2017		Hazard Construction Company	The Third Amendment extends the term of the contract by ninety days to complete the new solicitation process for the execution of a new contract for On-call Airport Pavement Repairs Services at San Diego International Airport. There is no increase in compensation.	Facilities Management	$9,246,500.00	$0.00	0%	$9,246,500.00	11/21/2017
5/15/2017		Swinerton Builders, Inc.	The Third Amendment revises the terms of the GMP by adding a Contractor Controlled Contingency not to execeed three percent of the reimbursable costs for the the Design-Build Terminal 2 Parking Plaza at San Diego International Airport.There is no increase in compensation.	Airport Design & Construction	$97,765,345.00	$0.00	0%	$97,765,345.00	10/18/2018
6/8/2017		Mott MacDonald, L.L.C	The Third Amendment extends the term of the contract by ninety days to continue work in progress for On-call Air/Landside Engineering Consulting Services at San Diego International Airport. There is no increase in compensation.	Facilities Development	$5,000,000.00	$0.00	0%	$5,000,000.00	10/29/2017
6/8/2017		Stantec Consulting Services Inc.	The Third Amendment extends the term of the contract by ninety days to continue work in progress for On-call Air/Landside Engineering Consulting Services at San Diego International Airport. There is no increase in compensation.	Facilities Development	$5,000,000.00	$0.00	0%	$5,000,000.00	10/29/2017

AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN May 8, 2017- June 11, 2017

Amendments and Change Orders Approved by the Board

Date Signed	CIP #	Company	Description of Change	Owner	Previous Contract Amount	Change Order Value (+ / -)	Change Order Value (%) (+ / -)	New Contract Value	New End Date
5/8/2017		Ueberall International, LLC	The Third Amendment was approved by the Board on April 6, 2017. The Third Amendment extends the term of the contract by 120 days to complete the Rental Car Center Public Art Project at San Diego International Airport. There is no increase in compensation.	Vision, Voice and Engagement	$875,000.00	$0.00	0%	$875,000.00	8/31/17
6/5/2017		Meyers,Nave,Riback, Silver & Wilson	The First Amendment was approved by the Board on April 6, 2017. The First Amendment extends the term of the contract by one year to assist with an existing legal matter at San Diego County Regional Airport Authority. There is no increase in compensation.	General Counsel	$300,000.00	$0.00	0%	$300,000.00	4/12/2018

Attachment "B"

REAL PROPERTY AGREEMENTS EXECUTED FROM MAY 8, 2017 through JUNE 11, 2017

Real Property Agreements

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
6.2.2017	LE-0928	California Airline Service, LLC	License Agreement	N/A	Ground handling services	N/A	MAG: $250, 8%	Will provide light maintenance services for new international carrier Edelweiss

Real Property Agreement Amendments and Assignments

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
3.1.2017	LE-0847	United Airlines	1st Amendment to Use & Occupancy Permit	Belly Cargo Area	Commerical Air Cargo	48,716 s.f.	$32,416 monthly	N/A

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
4

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

July 2017 Legislative Report

Recommendation:

Adopt Resolution No. 2017-0054, approving the July 2017 Legislative Report.

Background/Justification:

The Authority's Legislative Advocacy Program Policy requires that staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The Authority Board provides direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A). The July 2017 Legislative Report updates Board members on legislative activities that have taken place since the previous Board meeting. In directing staff, the Authority Board may take a position on pending or proposed legislation that has been determined to have a potential impact on the Authority's operations and functions.

State Legislative Action
The Authority's legislative team does not recommend that the Board adopt any new positions on state legislation.

The State Legislature is expected to begin its summer recess on July 21st.

Federal Legislative Action
The Authority's legislative team recommends that the Board adopt an OPPOSE UNLESS AMENDED position on H.R. 2997 (Shuster), the "21st Century Aviation Innovation, Reform, & Reauthorization Act" and an OPPOSE UNLESS AMENDED position on S.1405 (Thune), the "Federal Aviation Administration Reauthorization Act of 2017." The Authority's legislative team also recommends that the Board adopt a WATCH position on H.R. 2800 (DeFazio), the "Aviation Funding Stability Act."

H.R. 2997 would reauthorize the Federal Aviation Administration (FAA) and related programs for the next six years and transfer the FAA's air traffic control (ATC) functions to a new not-for-profit corporation. Although this bill would increase annual Airport Improvement Program (AIP) funding from a level of $3.4 billion in Fiscal Year (FY) 2018 to a level of $3.8 billion in FY 2023, the bill does not increase the current $4.50 Passenger Facility Charge (PFC) limit.

S. 1405 is a four-year FAA Reauthorization bill that would keep ATC functions with the FAA. While this bill would increase annual AIP funding from a level of $3.35 billion in FY 2018 to a level of $3.75 billion in FYs 2019-2021, S. 1405 does not increase the current $4.50 PFC limit.

Pursuant to the Airport Authority's 2017 Legislative Agenda, which calls for a PFC increase and legislation to help restore nonstop service between San Diego and Ronald Reagan Washington National Airport (DCA), Authority staff recommends that the Authority specifically advocate for amendments to H.R. 2997 and S. 1405 that would adjust the current PFC level and provide an opportunity to restore nonstop DCA flights.

H.R. 2800 would take the Airport and Airway Trust Fund off budget, require the Federal Aviation Administration (FAA) to reform its personnel and procurement systems, elevate the role of the FAA Management Advisory Council (MAC), and authorize the FAA to use the uncommitted balance of the Airport and Airway Trust Fund to rebuild, modernize, and sustain U.S. air traffic control facilities.

On June 6th, President Trump nominated former U.S. Coast Guard vice commandant David Pekoske to serve as Administrator of the Transportation Security Administration.

On June 12th, President Trump appointed Daniel Elwell to serve as Deputy Administrator of the Federal Aviation Administration.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☒ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

MICHAEL KULIS
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2017-0054

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING THE JULY 2017 LEGISLATIVE REPORT

WHEREAS, the San Diego County Regional Airport Authority ("Authority") operates San Diego International Airport and plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority's mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority's Legislative Advocacy Program Policy, the Authority Board provides direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board, in directing staff, may adopt positions on legislation that has been determined to have a potential impact on the Authority's operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the July 2017 Legislative Report ("Attachment A"); and

BE IT FURTHER RESOLVED that the Board FINDS that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (Cal. Pub. Res. Code § 21065); and is not a "development" as defined by the California Coastal Act (Cal. Pub. Res. Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY RUSSELL
DIRECTOR, CORPORATE
& INFORMATION GOVERNANCE/
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

(Attachment A)

July 2017 Legislative Report

Local Legislation

<u>Legislation/Topic</u>
City of San Diego Drone Ordinance

<u>Background/Summary</u>
The purpose of this proposed ordinance is to address the potential hazard of unmanned aircraft systems (UAS), commonly referred to as drones, to other aircraft in flight, persons on the ground, and critical infrastructure. Specifically, this proposed ordinance codifies on a local level regulations similar to those of the Federal Aviation Administration. This ordinance makes it unlawful within the City of San Diego to operate a UAS in the air, on the ground or on the water:

- In a careless or reckless manner that endangers the life or property of another
- In violation of any flight restriction, temporary or permanent, issued by the Federal Aviation Administration (FAA)
- In violation of any restriction issued by the FAA applicable to UAS; or
- In a manner that interferes with law enforcement, firefighting, or any government emergency operations

Violations of this ordinance may be prosecuted as misdemeanors.

<u>Anticipated Impact/Discussion</u>
This ordinance could benefit San Diego International Airport (SDIA) by providing local law enforcement officials with the enforcement authority to deter unsafe UAS operations within the City of San Diego.

<u>Status:</u> 4/10/17 – Unanimously passed by City Council

<u>Position:</u> Support (4/21/16)

**Shaded text represents new or updated legislative information*

State Legislation

New Assembly Bills
There are no new Assembly Bills to report.

Assembly Bills from Previous Report

Legislation/Topic
AB 1 (Frazier) – Transportation Funding

Background/Summary
AB 1 would create the Road Maintenance and Rehabilitation Program and a corresponding account in the State Transportation Fund to address deferred maintenance on state highways and local roadways. Revenues for this new program would be generated from increases in motor vehicle fuel sales and excise taxes and increases in vehicle registration fees, including a new $165 annual fee for zero-emission motor vehicles. The increases in sales and excise taxes would be adjusted for inflation every three years based on the California Consumer Price Index. This bill would also create an independent Office of the Transportation Inspector General to ensure that all state agencies expending transportation funds operate efficiently and comply with federal and state laws. In addition, AB 1 would expand the list of projects eligible for funding under the Trade Corridors Improvement Fund to include freight access improvements to airports.

Anticipated Impact/Discussion
Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

Status: 12/5/16 – Introduced in Assembly and referred to Assembly Committee on Transportation and Assembly Committee on Natural Resources.

Position: Watch (1/5/17)

Legislation/Topic
AB 5 (Gonzalez) – Employers: Opportunity to Work Act

Background/Summary
AB 5 would create the Opportunity to Work Act, requiring an employer with 10 or more employees to offer additional hours of work to an existing nonexempt employee before the employer hires an additional employee or subcontractor, except as specified. Employers would not be required to offer an employee additional work hours if it would require the employer to pay overtime compensation. AB 5 also would require an employer to post a notice of employee rights, and would require the employer to maintain certain employment documentation. The bill would authorize an employee to

file a complaint for violation of these provisions, and/or bring a civil action for remedies under the act.

Anticipated Impact/Discussion
Because all Airport Authority employees are hired as full-time employees, and this bill would not require employers to offer additional hours if it would result in overtime pay, AB 5 would have no practical effect on the Authority.

Status: 4/20/17 – Passed in Assembly Committee on Labor and Employment on a vote of 5 to 2 and Re-referred to Assembly Committee on Appropriations

Position: Watch (2/2/17)

Legislation/Topic
AB 92 (Bonta) – Public contracts: payment

Background/Summary
Under current law, public entities are authorized to withhold retention proceeds in excess of five percent for projects considered substantially complex. This authority is set to expire on January 1, 2018. AB 92 would extend this authority for five years, establishing a new expiration date of January 1, 2023.

Anticipated Impact/Discussion
This bill will continue the Airport Authority's ability to withhold retention proceeds in excess of five percent for substantially complex projects should it choose to do so.

Status: 5/4/17 – Passed Senate Committee on Governmental Organization on a vote of 12 to 0 and Ordered to Senate Consent Calendar

Position: Watch (2/2/17)

Legislation/Topic
AB 218 (Bonta) – Local Agencies: airports: customer facility charges

Background/Summary
Current law specifies that the authorization for an airport to impose a customer facility charge (CFC) becomes inoperative when the bonds used for financing a vehicle rental facility are paid off. This bill, until January 1, 2023, would delete the requirement that the authorization for an airport to impose a customer facility charge become inoperative when the bonds are retired. AB 218 would also allow per contract CFCs to be assessed at a level less than the current $10 per contract fee and would prohibit the collection of more than one CFC in connection with a single vehicle rental.

Anticipated Impact/Discussion
This legislation was introduced to allow Oakland International Airport to impose CFCs without having to incur debt for a rental car facility. However, AB 218 would also allow all other California airports to require the collection of CFCs regardless of whether or not bonds used to finance the construction of a rental car center or improvements to a rental car center are retired.

Status: 5/10/17 – Referred to Senate Committee on the Judiciary
3/30/17 – Passed in the Assembly by vote of 74 to 0

Position: Support (3/2/17)

Legislation/Topic
AB 302 (Gipson) – South Coast Air Quality Management District: fleets

Background/Summary
AB 302 would authorize the governing board of the South Coast Air Quality Management District (SCAQMD) to adopt rules and regulations that require specified operators of public and commercial fleet vehicles consisting of one or more vehicles to purchase zero emission and near-zero emission vehicles, and further require that those zero-emission and near-zero emission vehicles to be operated to the fullest extent possible in the south coast district.

Anticipated Impact/Discussion
San Diego International Airport (SDIA), is not within the jurisdiction of the SCAQMD, therefore this bill would not directly impact our operations. However, the Authority's legislative team is concerned that if enacted, AB 302 could create difficult and costly requirements for fleet operators because there are no zero or near-zero emission versions for some airport off-road equipment.

Status: 5/8/17 – Re-referred to Assembly Committee on Transportation

Position: Watch (6/1/17)

Legislation/Topic
AB 483 (Bocanegra) – Airports: pollution

Background/Summary
AB 483, would require that the following actions be taken at certain noncommercial general aviation airports located within California Environmental Protection Agency designated disadvantaged communities:

- The Department of Toxic Substances Control (DTSC) will conduct soil sample testing to determine the presence of hazardous waste

- The DTSC will coordinate with the State Water Resources Control Board and other appropriate local agencies to determine if an airport poses a threat to the groundwater basin based on the soil testing results
- The DTSC will report testing findings to the Legislature and post the report on the department's website.
- The Air Resources Board (ARB), in coordination with local districts will require airports to test the air quality to determine the airport's impact on air pollution and climate policy targets
- Airports are also required to collect their air quality testing data in real time and submit a quarterly report to ARB and the appropriate district.
- ARB and the local districts will compile the air quality testing data in an annual public report that details the public health impacts of the pollutants

Anticipated Impact/Discussion
Although this bill would not directly impact San Diego International Airport (SDIA), its passage would create an unfunded mandate for certain general aviation airports to test air quality impacts, and require the State to conduct soil testing at these airports. Staff plans to monitor this bill to ensure that this mandate is not expanded to commercial airports.

Status: 4/4/17 – Passed by Assembly Committee on Natural Resources on a vote of 7 to1 and re-referred to Assembly Committee on Environmental Safety and Toxic Materials

Position: Watch (5/4/17)

Legislation/Topic
AB 496 (Fong) – Transportation Funding

Background/Summary
AB 496 would create the Traffic Relief and Road Improvement Program and a corresponding account in the State Transportation Fund to provide funding for the maintenance and rehabilitation of state highways and local roadways.

Anticipated Impact/Discussion
Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

Status: 3/1/17 – Amended and re-referred to Assembly Committee on Transportation

Position: Watch (4/6/17)

**Shaded text represents new or updated legislative information*

Legislation/Topic
AB 805 (Gonzalez Fletcher)

Background/Summary
AB 805 would alter the governance structures of the San Diego Association of Governments (SANDAG), the Metropolitan Transit System (MTS), and the North County Transit District (NCTD). Specific changes would affect board membership and leadership, and board voting processes for these agencies. In addition, this bill would create a five-member SANDAG audit committee and require new SANDAG reporting and planning actions. AB 805 would also authorize MTS and NCTD to impose transactions and use taxes and authorize the issuance of bonds backed by those tax revenues to fund transportation projects within their respective jurisdictions.

Anticipated Impact/Discussion
The Authority Board adopted an Oppose Unless Amended position on AB 805, indicating that this bill would adversely impact other regional transportation agencies, such as the Airport Authority, in addition to the bill's impact to SANDAG, MTS, and NCTD governance and operations. The Board expressed its desire for the following two changes to this bill: 1) that the current voting procedures for SANDAG, MTS, and NCTD remain the same; and 2) that the boards of SANDAG, MTS, and NCTD retain the authority to select their own board chairs.

Status: 5/31/17 – Passed the Assembly on a vote of 50 to 25 and Referred to the Senate Committee on Governance and Finance and the Senate Committee on Transportation and Housing

Position: Oppose Unless Amended (6/1/17)

Legislation/Topic
AB 1069 (Low) – Local Government: taxicab transportation services

Background/Summary
AB 1069 would authorize changes to be implemented by local governments in their regulation of taxicab transportation services. Specific changes include:

- Repeals existing law requiring both cities and counties to regulate taxicab transportation services and instead only require counties to regulate these services
- Authorizes a county to enter into an agreement with the most populated city in a county that regulates taxicabs to perform the taxicab-related responsibilities of the county
- Requires a county to provide that taxicab drivers pass a criminal background check using a live scan fingerprint provider
- Prohibits a county from limiting or prohibiting a licensed taxicab transportation service from setting rates or fares or charging a flat rate

- Requires a county to ensure that any charge imposed on a taxicab transportation service does not exceed the reasonable regulatory cost of administering and enforcing a taxicab program established by the county
- Authorizes a licensed taxicab company to use any device or technology approved by the state to calculate fares
- Requires a licensed taxicab company to disclose fares, fees, or rates to customers before the customer accepts a ride and to post rates for walkup rides and street hails in the vehicle
- Requires a city or county to issue inspection stickers to compliant taxicabs and issue a photo permit to taxicab drivers
- Authorizes a county to accept a taxi permit issued by another county as valid
- Prohibits the operation of a taxicab without a valid certificate, license, or permit

Anticipated Impact/Discussion
Following the Board's adoption of a Support If Amended position on AB 1069, Authority staff was successful in adding language to this bill clarifying that airport operators shall have ultimate authority to regulate and set access fees for taxicab operations at the airport. Staff will continue to monitor this bill and coordinate with the author on any additional changes needed to protect the airport's authority.

Status: 5/30/17 – Unanimously approved by the Senate and Referred to Senate Committee on Governance and Finance and Senate Committee on Transportation and Housing

Position: Support if Amended (5/4/17)

Legislation/Topic
AB 1286 (Friedman) – Airports: alternative customer facility charges

Background/Summary
AB 1286 would eliminate the current requirement that airports interested in collecting an alternative (daily) customer facility charge initiate a process to obtain collection authority by January 1, 2018 and extends that deadline to January 1, 2025.

Anticipated Impact/Discussion
This bill would not impact San Diego International Airport (SDIA) as the Airport Authority has already commenced the collection of the alternative (daily) customer facility charge (CFCs).

Status: 5/10/17 – Referred to Senate Committee on the Judiciary
4/19/17 – Approved by Assembly on a vote of 75 to 0 and ordered to the Senate

Position: Watch (4/6/17)

**Shaded text represents new or updated legislative information*

Legislation/Topic
AB 1333 (Dababneh) – Political Reform Act of 1974: local government agency notices

Background/Summary
AB 1333 would require every local government agency that maintains an internet web site to prominently post on its site, a notice of any upcoming election in which voters will vote on a tax measure or proposed bond issuance of the agency. The bill would also require every local government agency that publishes an electronic newsletter to include such notices in their electronic newsletter.

Anticipated Impact/Discussion
This bill would not directly impact San Diego International Airport (SDIA), as the Airport Authority issues revenue bonds that do not require voter approval.

Status: 4/20/17 – Passed in Assembly Committee on Appropriations by a vote of 6 to 2 and Re-referred to the Committee on Appropriations

Position: Watch (4/6/17)

Legislation/Topic
AB 1581 (Obernolte) – Charter-party carriers: transportation of passengers for compensation

Background/Summary
AB 1581 is a placeholder (spot bill) that would make changes to the Passenger Charter-party Carriers' Act.

Anticipated Impact/Discussion
The Authority's legislative team will closely monitor the development of this bill language for any potential impact to San Diego International Airport (SDIA).

Status: 2/17/17 – Introduced in Assembly

Position: Watch (4/6/17)

New Senate Bills
There are no new Senate bills to report.

**Shaded text represents new or updated legislative information*

Senate Bills from Previous Report

Legislation/Topic
SB 1 (Beall) – Transportation Funding

Background/Summary
SB 1 creates the Road Maintenance and Rehabilitation Program and a corresponding account in the State Transportation Fund to address deferred maintenance on state highways and local roadways. Revenues for this new program will be generated from increases in motor vehicle fuel sales and excise taxes and increases in vehicle registration fees, including a new $100 annual fee for zero-emission motor vehicles. The increases in sales and excise taxes will be adjusted for inflation every three years based on the California Consumer Price Index. This bill also creates an independent Office of the Transportation Inspector General to ensure that all state agencies expending transportation funds operate efficiently and comply with federal and state laws. In addition, SB 1 expands the list of projects eligible for funding under the Trade Corridors Improvement Fund to include freight access improvements to airports.

Anticipated Impact/Discussion
Although this bill will not directly impact San Diego International Airport (SDIA), its enactment may provide additional funding opportunities for highway and roadway improvements in close proximity to SDIA.

Status: 4/28/17 – Signed into law by the Governor and Chaptered

Position: Watch (1/5/17)

Legislation/Topic
SB 4 (Mendoza) – Goods Movement and Clean Trucks Bond Act

Background/Summary
Subject to statewide voter approval in June 2018, SB 4 would authorize $600 million in state general obligation bonds to be allocated as follows:

- $200 million to the California Transportation Commission for projects eligible for funding from the Trade Corridors Improvement Fund
- $200 million to the State Air Resources Board for projects and programs consistent with the Goods Movement Emission Reduction Program
- $200 million to the State Air Resources Board for projects and programs to expand the use of zero and near-zero emission trucks in extreme nonattainment areas for ozone and particulate matter

SB 4 would also expand the list of projects eligible for funding from the Trade Corridors Improvement Fund to include landside freight access improvements to airports.

Anticipated Impact/Discussion
Although SB 4 could provide additional funding opportunities for transportation projects, including landside freight access improvements to airports, the Authority's legislative team plans to work with the author of this bill, San Diego delegation members, and the California Airports Council to enhance SDIA's ability to compete for funds should voters approve this ballot measure in 2018. Currently, language included in this initial version of SB 4 would prevent the San Diego Association of Governments and other public agencies in San Diego County from nominating transportation improvement projects that would be financed from the $360 million in Trade Corridors Investment Fund-related bond funds. Authority staff has begun discussions with SANDAG and other local government agencies in an effort to identify potential changes to this bill.

Status: 6/1/17 – Passed by Senate on a vote of 27 to 13 and Ordered to the Assembly

Position: Watch (1/5/17)

Legislation/Topic
SB 21 (Hill) – Law Enforcement Agencies: surveillance: policies

Background/Summary
SB 21 would require that beginning July 1, 2018, public agencies must submit to their governing bodies at a public meeting, a proposed plan for the use of each type of surveillance technology used and type of information collected for law enforcement purposes.

Anticipated Impact/Discussion
The Authority's legislative team will closely work with the Authority's security staff to identify any potential impact to San Diego International Airport (SDIA).

Status: 5/31/17 – Passed by Senate on a vote of 21 to 5 and Referred to the Assembly Committee on Public Safety and Assembly Committee on Privacy and Consumer Protection

Position: Watch (5/4/17)

Legislation/Topic
SB 31 (Lara) – California Religious Freedom Act: state agencies: disclosure of religious affiliation information

Background/Summary
Current law prohibits a state agency from including a question regarding an applicant's race, sex, marital status, or religion in any application form for employment. This bill

**Shaded text represents new or updated legislative information*

would prohibit a state or local agency or a public employee acting under color of law from providing or disclosing to the federal government personally identifiable information regarding a person's religious beliefs, practices, or affiliation, as specified, when the information is sought for compiling a database of individuals based on religious belief, practice or affiliation, national origin, or ethnicity for law enforcement or immigration purposes.

Anticipated Impact/Discussion
SB 31 would not directly impact San Diego International Airport (SDIA), as the Authority's Talent, Culture and Capability department does not currently share these categories of protected information with external agencies.

Status: 4/3/17 – Passed in the Senate by vote of 36-0
6/13/17 – Passed by Assembly Committee on the Judiciary on a vote of 11 to 0 and referred to Assembly Committee on Appropriations

Position: Watch (3/2/17)

Legislation/Topic
SB 54 (De Leon) – Law enforcement: sharing data

Background/Summary
Current law provides that when there is reason to believe that a person arrested for a violation of specified controlled substance provisions may not be a citizen of the United States, the arresting agency shall notify the appropriate agency of the United States having charge of deportation matters. This bill would repeal those provisions. This bill would also prohibit state and local law enforcement officials from detaining individuals for suspected immigration violations.

Anticipated Impact/Discussion
Although this bill would not directly impact San Diego International Airport (SDIA), its passage could impact the operations of Harbor Police or other law enforcement agencies operating at SDIA.

Status: 4/3/17 – Passed in the Senate by vote of 27 to12
6/13/17 – Passed by Assembly Committee on Public Safety on a vote of 5 to 2 and Referred to the Assembly Committee on the Judiciary

Position: Watch (3/2/17)

**Shaded text represents new or updated legislative information*

Legislation/Topic
SB 450 (Hertzberg) – Public Bodies: bonds: public notice

Background/Summary
SB 450 would require that prior to authorizing the issuance of bonds with terms greater than 13 months, the governing bodies of public agencies must hold a public meeting to disclose specified information. The bill would require that the information be obtained as a good faith estimate from an underwriter, financial advisor, private lender or third party borrower.

Anticipated Impact/Discussion
The Authority Board holds public meetings disclosing information about authorized bond issuances. Prior to the recent amendments to the bill, its passage could have created a requirement that the Authority Board disclose information that is not known prior to authorized bonds reaching the market.

Status: 5/30/17 – Passed by Senate on a vote of 39 to 0 and Referred to Assembly Committee on Local Government

Position: Watch (4/6/17)

Legislation/Topic
SB 686 (Wilk) – Public Contracts: claim resolution

Background/Summary
SB 686 would require that a public entity conduct a "meet and confer" conference within 30 days of receipt of demand from a claimant for resolution of a dispute related to public works projects.

Anticipated Impact/Discussion
This bill isn't expected to have an impact on San Diego International Airport's (SDIA) prevailing wage processes. Implementation of progress payment withholding for non-compliance, is performed per established regulations. Because SDIA is not a certified compliance agency, unresolved contractors claims are forwarded to the Department of Labor Standards Enforcement who will impose applicable fines and penalties specific to the violation(s).

Status: 3/9/17 –Referred to Senate Committee on Judiciary

Position: Watch (4/6/17)

**Shaded text represents new or updated legislative information*

Legislation/Topic
SB 775 (Wieckowski) – California Global Warming Solutions Act of 2006: greenhouse gas emissions reduction

Background/Summary
SB 775 would add local agencies to the list of entities that the State Air Resources Board has to consult with in order to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control programs, and facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs.

Anticipated Impact/Discussion
Although this bill would not directly impact San Diego International Airport (SDIA), its passage could provide additional opportunities for SDIA to play a greater role in shaping regional, national and international environmental policy.

Status: 3/9/17 – Referred to Senate Committee on Environmental Quality

Position: Watch (4/6/17)

**Shaded text represents new or updated legislative information*

Federal Legislation

New House Bills

Legislation/Topic
H.R. 2800 (DeFazio) – Aviation Funding Stability Act

Background/Summary
This legislation would take the Airport and Airway Trust Fund off budget in an effort to protect Trust Fund revenue from sequestration and potential budget cuts. This bill would also require the Federal Aviation Administration (FAA) to develop a streamlined procurement system for the acquisition of NextGen technology and update its personnel management system. In addition, H.R. 2800 would elevate the role of the Management Advisory Council and authorize funds to rebuild and modernize U.S. air traffic control facilities.

Anticipated Impact/Discussion
Enactment of H.R. 2800 might benefit the Airport Authority by insulating the Airport and Airway Trust fund from potential reductions in funding for FAA-related operations. In addition, this legislation could expedite the modernization of the national air traffic control system.

Status: 6/7/17 – Introduced and Referred to the House Committees on Transportation and Infrastructure, Armed Services, the Budget, and Appropriations

Position: Watch

Legislation/Topic
H.R. 2997 (Shuster) – 21st Century Aviation Innovation, Reform, & Reauthorization Act

Background/Summary
This legislation would authorize FAA operations and related programs for the next six years. Specifically, this bill would:

- Transfer air traffic control functions from the FAA to a new not-for-profit corporation
- Include one airport representative to serve on the 13-member board of directors for the new ATC corporation
- Increase annual Airport Improvement Program (AIP) funding to a level of $3.8 billion in Fiscal Year 2023
- Retain the current $4.50 Passenger Facility Charge (PFC) cap
- Streamline and expedite the PFC reporting and review process
- Eliminate the PFC significant contribution test for large and medium hub airports

**Shaded text represents new or updated legislative information*

Anticipated Impact/Discussion
Although San Diego International Airport (SDIA) might potentially benefit from the AIP increases included in H.R. 2997, this bill does not include any adjustment to the current $4.50 PFC limit established by Congress in 2000. As a result, this legislation would essentially maintain the status quo for the financing of airport infrastructure projects instead of providing new funding opportunities for SDIA improvement projects. In addition, this bill does not include any provision that could position SDIA to compete for nonstop service to Ronald Reagan Washington National Airport.

Status: 6/21/17 – Introduced and Referred to the House Committee on Transportation and Infrastructure

Position: Oppose Unless Amended

House Bills from Previous Report

Legislation/Topic
H.R. 598 (Lynch) – Airplane Impacts Mitigation Act of 2017

Background/Summary
H.R. 598, the "Airplane Impacts Mitigation Act of 2017", would require the Federal Aviation Administration (FAA) to enter into an agreement with an eligible institution of higher education to conduct a study of the health impacts of airplane flights on residents exposed to a range of noise and air pollution levels from flights. The study is directed to:

- Focus on residents in Boston, Chicago, New York, the northern California Metroplex, Phoenix, and not more than three additional metropolitan areas each containing an international airport.
- Consider the health impacts on residents living partly, or entirely within the land underneath the flight paths most frequently used by aircraft flying below 10,000 feet.
- Consider only the health impacts that manifest during the physical implementation of the NextGen program on flights departing from or arriving to an international airport located in one of the designated metropolitan areas.

Anticipated Impact/Discussion
Although this bill is not expected to directly impact operations at San Diego International Airport (SDIA), the information collected by the study may be useful in helping the Authority accurately describe any environmental and health impacts of the FAA's recently implemented NextGen program.

Status: 1/20/17 – Introduced in the House and referred to the House Committee on Transportation and Infrastructure

Position: Support (3/2/17)

**Shaded text represents new or updated legislative information*

Legislation/Topic
H.R. 665 (Keating) – Airport Perimeter and Access Control Security Act of 2017

Background/Summary
H.R. 665, the "Airport Perimeter and Access Control Security Act of 2017," would direct the Transportation Security Administration (TSA) to update:

- The Transportation Sector Security Risk Assessment for the aviation sector
- The Comprehensive Risk Assessment of Perimeter and Access Control Security for airports (as well as conduct a system-wide assessment of airport access control points and airport perimeter security)
- The 2012 National Strategy for Airport Perimeter and Access Control Security

Anticipated Impact/Discussion
Although this bill is not expected to impact operations at San Diego International Airport (SDIA), the updating of assessments by the TSA may lead to the future implementation of new security requirements. The Authority's legislative team will identify any unfunded mandates resulting from these proposed actions.

Status: 2/1/17 – Referred to the Senate Committee on Commerce, Science and Transportation

Position: Watch (3/2/17)

Legislation/Topic
H.R. 678 (McSally) – Department of Homeland Security Support to Fusion Centers Act of 2017

Background/Summary
Fusion centers were created to promote information sharing at the federal level between agencies such as the Central Intelligence Agency, the U.S. Department of Justice, the U.S. military and state and local governments. H.R. 678, the "Department of Homeland Security Support to Fusion Centers Act of 2017" would:

- Direct the Comptroller General to conduct an assessment of Department of Homeland Security (DHS) personnel assigned to fusion centers
- Direct the Under Secretary of Intelligence and Analysis of the Department of Homeland Security to provide eligibility for access to information classified as Top Secret for analysts at fusion centers, and submit a report to the Committee on Homeland Security, Permanent House Select Committee on Intelligence, Committee on Homeland Security and Government Affairs and Senate Select Committee on Intelligence
- Direct the Chief Information officer of the Department of Homeland Security to conduct an assessment of information systems used to share homeland security information between fusion centers and the Department.

**Shaded text represents new or updated legislative information*

Anticipated Impact/Discussion

Although this bill is not expected to impact operations at San Diego International Airport (SDIA), it will be monitored closely for any potential impact to Department of Homeland Security or Customs and Border Protection procedures.

Status: 1/31/17 – Passed by the House on a voice vote
2/1/17 – Referred to Senate Committee on Homeland Security and Governmental Affairs

Position: Watch (3/2/17)

Legislation/Topic

H.R. 1265 (DeFazio) – Investing in America: Rebuilding America's Airport Infrastructure Act

Background/Summary

H.R. 1265, the "Investing in America: Rebuilding America's Airport Infrastructure Act", would provide airports the Authority to establish a passenger facility charge (PFC) of their choosing by eliminating the current $4.50 Congressionally-set PFC limit. This bill would also reduce Airport Improvement Program (AIP) funding by $400 million annually and eliminate large hub airports' entitlement to AIP grants if those airports collect PFCs greater than $4.50.

Anticipated Impact/Discussion

H.R. 1265 would provide the Airport Authority with the ability to establish a PFC based on San Diego International Airport funding needs rather than relying on the current PFC limit of $4.50 per passenger established by Congress in 2000.

Status: 3/2/17 – Referred to House Committee on Transportation and Infrastructure

Position: Support (4/6/17)

New Senate Bills

Legislation/Topic

S. 1405 (Thune) – Federal Aviation Administration Reauthorization Act of 2017

Background/Summary

This legislation would authorize FAA operations and related programs for the next four years. Specifically, this bill would:

- Increase annual Airport Improvement Program (AIP) funding to a level of $3.75 billion in Fiscal Years 2019-2021
- Retain the current $4.50 Passenger Facility Charge (PFC) cap

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- Streamline and expedite the PFC reporting and review process
- Eliminate the PFC significant contribution test for large and medium hub airports
- Require the Department of Transportation to hire an independent organization to conduct a study on upgrading and restoring the nation's airport infrastructure

Anticipated Impact/Discussion
Although San Diego International Airport (SDIA) might potentially benefit from the AIP increases included in S. 1405, this bill does not include any adjustment to the current $4.50 PFC limit established by Congress in 2000. As a result, this legislation would essentially maintain the status quo for the financing of airport infrastructure projects instead of providing new funding opportunities for SDIA improvement projects. In addition, this bill does not include any provision that could position SDIA to compete for nonstop service to Ronald Reagan Washington National Airport.

Status: 6/22/17 – Introduced and Referred to the Senate Commerce Committee

Position: Oppose Unless Amended

Senate Bills from Previous Report

Legislation/Topic
S. 271 (Fischer) – Build USA Infrastructure Act

Background/Summary
S. 271, the "Build USA Infrastructure Act" would divert $21.4 billion annually in Customs and Border Protection (CBP) passenger and freight user fees to the Highway Trust Fund. This funding would be diverted for a five-year period, beginning October 1, 2020.

Anticipated Impact/Discussion
Airports Council International – North America (ACI-NA) strongly opposes this bill. User fees should be applied for their intended use, not diverted to subsidize other programs, especially as CBP continues to face significant staffing shortfalls and technological challenges. As San Diego International Airport (SDIA) continues to expand international air service, this bill could have a negative impact on CBP's ability to effectively process international passengers.

Status: 2/1/17 – Introduced and Referred to Senate Committee on Homeland Security and Governmental Affairs

Position: Oppose (3/2/17)

**Shaded text represents new or updated legislative information*

Legislation/Topic
(Van Hollen) – Customers Not Cargo Act

Background/Summary
This proposed legislation would prohibit airlines from forcibly removing passengers after they have already boarded the plane due to overbooking or airline staff seeking to fly as passengers.

Anticipated Impact/Discussion
This bill is not expected to directly impact operations at San Diego International Airport (SDIA).

Status: 4/12/17 – Introduced in Senate

Position: Watch (5/4/17)

**Shaded text represents new or updated legislative information*

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
5

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Approve Appointments to the Art Advisory Committee

Recommendation:

Adopt Resolution No. 2017-0055, approving the appointment of Jennifer Easton and Cristina Scorza to the Art Advisory Committee.

Background/Justification:

Under Authority Policy 8.50, the Art Advisory Committee (AAC) is comprised of seven voting members and no more than three ex-officio, non-voting members. Appointments to AAC are completed as follows:

- Six voting members who are Art Professionals or Design Professionals
  - At least two of the six members shall be practicing Artists
  - At least one of the six members shall be actively involved in the performing arts
  - At least two of the six members shall reside outside of San Diego County
- One voting member who serves on the Airport Authority Board
- Up to three ex-officio, non-voting Authority staff members whose departments work closely with the Airport Arts Program as determined by the President/CEO

The process to appoint members to the AAC is as follows:

- The Chair of the Board shall appoint one member of the Board to serve as a voting member of the AAC
- The President/CEO shall recommend six individuals who are Art and Design Professionals to serve as voting members of the AAC, subject to appointment by the Board
- The President/CEO shall review interested candidates' qualifications and make recommendations to the Board as follows:
  - Solicit and review qualifications submitted by AAC, staff and interested professionals in the field of design, visual art, performing arts, and literary arts annually or as needed
  - Conduct interviews as needed

Terms of membership are defined as follows:

- Except for a replacement term as described below, voting members of the AAC shall be appointed by the President/CEO for a term of three years, and no member may serve more than two consecutive terms. Should a member serve a partial term to complete the non-expired term of a prior member, such partial term shall not be included for purposes of the maximum service of two consecutive terms. Ex-officio members of the AAC shall be appointed by the President/CEO without a term limit.

APPOINTMENT OF JENNIFER EASTON AND CRISTINA SCORZA

The President/CEO recommends that Jennifer Easton be appointed to the AAC Non-San Diego Resident seat that is currently vacant. The seat was previously held by Ben Fyffe, who had completed two consecutive terms and was therefore ineligible for reappointment. Appointment would be from July 2017 – July 2020.

Jennifer Easton, Art Program Manager for San Francisco Bay Area Rapid Transit (BART), has more 15 years of experience managing the integration of the arts with economic development and creative place making. In her former position as the Director of Public Art for the City of San Jose, Easton directed development and implementation of public art in long-range plans for critical development areas including Downtown, North San Jose, High Speed Rail, Environmental Services and City Trails. Additionally, she was responsible for identifying and developing opportunities for the expansion of private sector engagement with public art. In her previous role as Senior Project Manager of Public Art for the City of San Jose, Easton developed the first ever grant applications focused on developing and enhancing the creative community through a collaborative program of art and technology as part of the City's overall economic development strategy. Successful grants include the highly competitive NEA "Our Town" grant for $250,000 (2011) and $200,000 (2013) and ArtPlace for $600,000 – all the highest level of support provided by the grant makers. In 2006, Easton served as an integral member of the development team of *Zero One San Jose*, North America's Largest New Media Art Festival.

The President/CEO recommends that Cristina Scorza be appointed to the AAC Arts Professional seat that is currently vacant. The seat was previously held by Deborah Van Huis, who had completed two consecutive terms and was therefore ineligible for reappointment. Appointment would be from July 2017 – July 2020.

Cristina (Cris) Scorza is the Education Curator at the Museum of Contemporary Art San Diego (MCASD). In this capacity she oversees the development of programs serving the public, 6 –12th grade school groups, higher education students, and community and adult groups. In addition, Cris is responsible for creating interpretative materials that support both MCASD's permanent collection and exhibitions on view. In her short time at MCASD she inaugurated thoughLAB—a new space for personal reflection and public dialogue surrounding MCASD exhibitions. Prior to her arrival at MCASD, Cris was the Manager of Tours and Family Programs at the New Museum in New York. In this position Cris Scorza developed and established the first Docent Program and organized the first family event at this institution: Family Day with Counter Culture (Summer 2004), which became the New Museum Block Party serving over 2000 visitors. Prior to her departure Scorza participated in the publication Rethinking Contemporary Art and Multicultural Education, (New Museum 2011). Cris has worked for and collaborated with institutions such as The Museum of Modern Art, the Museum of Arts and Design, the Brooklyn Children's Museum and Art in General.

Fiscal Impact:

No fiscal impact.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy	☒ Customer Strategy	☐ Employee Strategy	☐ Financial Strategy	☐ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable

Prepared by:

LAUREN LOCKHART
ARTS PROGRAM MANAGER

RESOLUTION NO. 2017-0055

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING THE APPOINTMENT OF JENNIFER EASTON AND CRISTINA SCORZA TO THE ART ADVISORY COMMITTEE

WHEREAS, the operations, procedures and activities of the San Diego County Regional Airport Authority ("Authority") and its Board's committees are guided by, among other things, the Authority's Policies and Codes; and

WHEREAS, the Board adopted Policy 8.50, entitled Policy for the Airport Authority Art Program, which governs the appointment of Art Advisory Committee ("AAC") members; and

WHEREAS, Authority Policy 8.50 states that the AAC will be comprised of:

a) Six voting members who are Arts Professionals or Design Professionals
b) One voting member who serves on the Board
c) Up to three *ex-officio* non-voting Authority staff members whose departments work closely with the Airport Art Program, as determined by the President/CEO; and

WHEREAS, of the six voting members who are art or design professionals, two shall reside outside of San Diego County, and one shall be actively involved in the performing arts, as recommended by the President/CEO, subject to appointment by the Board; and

WHEREAS, Jennifer Easton is nominated to serve on the AAC as one of the two art/design professionals who resides outside of San Diego County; and

WHEREAS, Cristina Scorza is nominated to serve on the AAC as one of six art/design professionals; and

WHEREAS, the AAC is advisory in nature to provide expert advice regarding opportunities for integrating public artwork into the Airport, to identify eligible and qualified artists for creation of specific artworks, to maintain and conserve displayed public artworks, to deaccession public artworks, and determine eligibility and qualifications for temporary and rotating art exhibits.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the appointment of Jennifer Easton and Cristina Scorza to serve on the Art Advisory Committee for the terms indicated on "Attachment A."

BE IT FURTHER RESOLVED that the Board finds this action is not a "project" that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended, 14 Cal. Code Regs. §15378; is not a "project" subject to CEQA Cal. Pub. Res. Code (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____
TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

____
AMY GONZALEZ
GENERAL COUNSEL

Attachment A

Art Advisory Committee

Current Committee Members	Total length of Term	Beginning of Term	End of Term
Cristina Scorza Art Professional	3 Years	July 2017	July 2020
Jennifer Easton Art Professional (Outside San Diego County Resident)	3 Years	July 2017	June 2020
Gail Roberts Art Professional (Committee Vice Chair)	3 years	July 2015	July 2018
Chike C. Nwoffiah Art Professional (Outside San Diego County Resident/ Involved in Performing Arts)	3 years	July 2015	July 2018
Michael Soriano Art Professional	3 years	June 2016	June 2019
Indra Gardiner Art Professional (Committee Chair)	3 years	June 2016	June 2019
Robert H. Gleason Authority Board Member	At Board Chair's discretion	n/a	n/a
Bob Bolton – Authority Staff (Ex-Officio Member)	At President/CEO's discretion	n/a	n/a
Diana Lucero – Authority Staff (Ex-Officio Member)	At President/CEO's discretion	n/a	n/a

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
6

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Grant an Easement to San Diego Gas & Electric

Recommendation:

Adopt Resolution No. 2017-0056, authorizing the President/CEO to negotiate and execute an easement for utility purposes with San Diego Gas & Electric.

Background/Justification:

The Central Receiving & Distribution Center ("CRDC") required an electrical line to be installed prior to opening the facility in 2012. The electrical line necessitated the San Diego County Regional Airport Authority ("Authority") to execute an Easement for Utility Purposes ("Easement") with San Diego Gas & Electric ("SDG&E") for the purpose of allowing SDG&E the right to reconstruct, maintain, operate, and repair the electrical infrastructure at its costs, including ingress and egress along the Easement area. The duration of the Easement is five-years and will terminate on July 15, 2017.

The standard practice for the Authority is to grant utility easements that are coterminous with the term of the Authority's Leases from the San Diego Unified Port District ("Port"), which expires on December 31, 2068.

At the time the Easement was executed, the Authority was in the planning phase of the campus wide 12kV Electrical System ("12kV System") and it was anticipated that the CRDC would receive electrical power from the 12kV System and the Easement with SDG&E would be vacated by 2017. At this time, there are no plans to have the CRDC receive power from the 12kV System.

Consequently, the Authority needs to execute an easement for utility purposes with SDG&E. The duration of the term for the proposed easement is conterminous with the term of the Authority's Leases from the Port, which expires on December 31, 2068. The Easement may be terminated earlier pursuant to the provisions set forth in the Easement document.

Fiscal Impact:

The proposed Easement does not provide for monetary consideration to be paid to or by the Authority. Therefore, there is no direct fiscal impact.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (“CEQA”), as amended. 14 Cal. Code Regs. §15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

SUSAN C. DIEKMAN
REAL ESTATE MANAGER

RESOLUTION NO. 2017-0056

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN EASEMENT FOR UTILITY PURPOSES WITH SAN DIEGO GAS & ELECTRIC

WHEREAS, the San Diego County Regional Airport Authority (“Authority”) currently leases Airport property from the San Diego Unified Port District (“Port”) pursuant to certain Lease dated December 17, 2002 which expires on December 31, 2068, bearing Authority Document No. LE-0009; and

WHEREAS, paragraph 4 in said Lease specifies that Authority may, at its own expense, make alterations or changes, or cause to be made, built, installed, or remove any structures, machines, appliances, utilities, signs, or other improvements necessary or desirable for the authorized use of the Leased Airport without the approval of the Port; and

WHEREAS in 2012, the Authority executed an Easement for Utility Purposes (“Easement”) with San Diego Gas & Electric (“SDG&E”) for an electrical line that serving the Central Receiving & Distribution Center (“CRDC”); and

WHEREAS, the Easement was necessary to allow SDG&E the right to reconstruct, maintain, operate and repair electrical infrastructure at its costs, including the right to ingress and egress along the Easement area; and

WHEREAS, the Easement has a five-year term and will terminate on July 15, 2017; and

WHEREAS, at the time the Easement was executed, the Authority anticipated that the CRDC would receive electrical power from the Authority’s 12kV Electrical System and the Easement would be vacated by 2017; and

WHEREAS, today there are no plans to have the CRDC receive power from the 12kV Electrical System; and

WHEREAS, the Authority needs to enter into an easement for utility purposes for the same reasons listed above; and

WHEREAS, the new proposed easement will terminate on December 31, 2068 and may be terminated earlier pursuant to the provisions set forth in the easement document.

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Board hereby authorizes the President/CEO to negotiate and execute an easement for utility purposes with San Diego Gas & Electric; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
7

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Reject the Claim of Future DB International, Inc.

Recommendation:

Adopt Resolution No. 2017-0057, rejecting the claim of Future DB International, Inc.

Background/Justification:

On September 14, 2016, the Authority issued a Request for Bids for Project No. 104129 – Clear Object Free Area Taxiway B. On November 17, 2016, the Board awarded a contract to Future DB International, Inc. in the amount of $4,775,162.11 for Project No. 104129. [Resolution No. 2016-0105]. On December 22, 2016, the contract between FDBI and the Authority was fully executed. The Authority never issued a Notice to Proceed with construction. The Contract allows the Authority to terminate the contract for convenience at any time. Specifically, section C-11.3 of the contract states:

> The Airport Authority may, without cause, order the Contractor in writing to suspend, interrupt or terminate performance of the Work in whole or in part for such period of time as the Airport Authority may determine.

On February 15, 2017, the Authority terminated the contract for convenience.
On May 15, 2017, Future DB International ("FDBI") filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority"). The claim alleges that the Authority: "terminated the contract in bad faith and because of the discriminatory conduct against FDBI"; violated FDBI civil rights and those of its employees. FDBI seeks damages in the amount of "$1,962,619.84 plus Interest, Penalties and attorney fees as allowed by the public contract code." FDBI claims that "civil rights, and violation of due process, interference and retaliation claims are not included in the above amount."

The contract allows the Authority to terminate the contract for convenience. The General Counsel has reviewed the claim and recommends its rejection.

Fiscal Impact:

Not applicable.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☒ Financial Strategy ☐ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (“CEQA”), as amended. 14 Cal. Code Regs. §15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

AMY GONZALEZ
GENERAL COUNSEL

Attachment A

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
ACCIDENT OR DAMAGE CLAIM FORM
Please complete all sections.
Incomplete submittals will be returned, unprocessed.
Use a typewriter or print in ink.

CLAIM FORM SUBMITTED MUST HAVE AN ORIGINAL "WET" SIGNATURE

FOR AUTHORITY CLERK USE ONLY
Document No.: CL-284
Filed: 5/15/17

SDCRAA
MAY 15 2017
Corporate & Information Governance

1) Claimant Name: Future DB International Inc.	
2) Address to which correspondence regarding this claim should be sent: 8707 Research Drive, Irvine CA 92618	
Telephone No.:949-390-2110	Date:5-15-2017
3) Date and time of incident:From October 2016 to date	
4) Location of incident:San Diego International Airport	
5) Description of incident resulting in claim:	
Contract Termination for convenience. Contract No. 104129 See Attached Letter dated May 15, 2017 and documents	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known:	
San Diego County Regional Airport Authority Board and Facility Management department	
7) Persons having firsthand knowledge of incident:Sam Katbi	
Witness (es)	Physician(s):
Name:	Name:
Address:	Address:
Phone:	Phone:

8) Describe property damage or personal injury claimed:
See Attched Letter dated May 15, 2017

9) Owner and location of damaged property or name/address of person injured:
See Attched Letter dated May 15, 2017

10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds $10,000.00, a specific amount need not be included.
See Attched Letter dated May 15, 2017

Dated: 5-15-17 Claimant: [signature] Submitting on behalf of Future DB

(Signature)

Anas Alkhouli

Notice to Claimant:

Where space is insufficient, please use additional paper and identify information by proper section number.

Mail completed original form to:

San Diego County Regional Airport Authority
Tony Russell, Director, Corporate & Information Governance/Authority Clerk
Corporate & Information Governance
P.O. Box 82776
San Diego, CA 92138-2776

Attachment A

FUTURE DB
INTERNATIONAL INC.

May 15, 2017

Ms. Amy Gonzalez
General Counsel
San Diego International Airport
P.O. Box 82776
San Diego, CA, 92707

Dear Ms. Gonzales,

The San Diego County Regional Airport Authority advertised for public bids in September 2016 for project 104129-Clear of A Taxiway B at San Diego International Airport. Future DBI submitted its bid on Oct 14 2016, for the amount of $4,775,162.11. FDBI was the lowest responsible bidder for the job. The authority executed the contract on Dec 22, 2016, and transmitted it on Jan 6, 2017, it was received by FDBI on Jan 11, 2017. The contract duration was three hundred and one (301) calendar days. FDBI proceeded in good faith to execute the contract.

The Airport Authority gave FDBI a very hard time during the execution of the contract. Racial remarks were made publicly concerning the ethnic background of the FDBI staff, in addition threats of terminations and liquidated damages were made and requests to bring white Americans to run the job were ordered.

Despite the authorities unreasonable and racist demands, FDBI mobilized all its resources and completed what was required. All the submittals and badging were completed by the second week of February 2017, almost one month after the receipt of the contract. The Authority insisted not to allow FDBI to proceed in its execution of the work for no valid reason other than its displeasure with the ethnic makeup of FDBI's owner and staff. It was clearly stated by the Director of Facilities at a meeting in his office on Feb 20, 2017 in the presence of his management company's director and managers that the people upstairs at the "Third Floor" all the way to Washington DC are showering him with inquiries about our company.

On February 15, 2017, the airport authorities ran out of excuses not to allow FDBI execute the work and decided based on its racist agenda to terminate FDBI without a cause for "Convenience." However, the evidence is clear that the Authority terminated the contract in bad faith and because of the discriminatory conduct against FDBI. Moreover, the termination notice was not sent per the contract requirement to FDBI certified mail. Strangely it was submitted to one of the airport repeat subcontractor who is a very close friend with the management who stopped performing the job few days prior to the termination. See exhibit (1). The Authority in their racist campaign against FDBI made sure not to process a single penny for FDBI for 5 months while they were asking them to deliver on unreasonable demands.

On February 16, 2017 we received a letter from the Authority's legal counsel stating that the reason for the termination is FDBI failure to properly badge its work force and make the proper submittal under the contract. See exhibit (2). On February 20, 2017 FDBI responded to the legal counsel with the

FUTURE DB
INTERNATIONAL INC.

evidence that he was fed with the wrong information and that all submittals and badging per the contract were complete see exhibit (3).

On February 21, 2017 a letter to the Board members was sent requesting an investigation in the civil rights violation and discrimination that took place by the Authority's representatives. A public hearing of the matter was requested. The board ignored FDBI request, it failed to conduct the hearing and blessed the termination and approved rebidding the job one more time. See exhibit (4).

The willful action of the Authority and the Board in violating FDBI civil rights of and all of its employees in public has caused major damages. Those damages are contract damages and civil rights damages. FDBI is hereby submitting the direct contract damages and is referring the civil rights claim to legal counsel in order to commence legal proceedings against the Authority.

Our contract damages total **$1,962,619.84** plus Interest, Penalties and attorney fees as allowed by the public contract code.

We have also included more than fifteen thousand pages we were requested to submit in one month prior to termination.

Please process our money at your earliest as the discriminatory and bad faith conduct of the Authority has caused FDBI to encounter serious financial hardship. The damages sustained on this project have affected our entire operation. The subcontractors have filed stop notices, and bond claims. Our bonding company is giving us a very hard time due to the damages caused by Authority's racist action.

The claim is made in good faith, supporting data are accurate and complete to the best of my knowledge and belief, the amount requested partially reflects the contract adjustment for which the Airport Authority is liable for. Civil rights, and violation of the due process, interference and retaliation claims are not included in the above amount.

Regards,

Future DB International Inc.

Sam Katbi
President

Enclosures

8707 Research Drive, Irvine, CA 92618 • Tel: 949-390-2110 • Fax: 949-732-4354

Attachment A

CLEAR OFA TAXIWAY- SAN DIEGO INTERNATIONAL AIRPORT

		CONTRACT	V- BILLING	TOTAL Billing Includes 10% OH and 5% PRF
1	Corporate Overhead NOV 28 TO FEB 20 (84) days at $2421.21 /day	$ 728,784.21	$ 203,381.64	$ 203,381.64
2	HEALTH AND SAFETY PLAN	$ 5,400.00	$ 5,400.00	$ 5,400.00

MOBILIZATION

Exhibit	ITEM	VENDOR	CONTRACT	V- BILLING	
6	Trash	REPUBLIC SERVICES		$ 300.00	
7	Temporary Office	PAC-Van		$ 5,760.95	
8	Generator	SUNBELT RENTALS		$ 2,680.03	
9	Golf Cart	OC CARTS		$ 2,150.00	
10	Badging fees	San Diego Airport Authority		$ 681.00	
11	Printing & Postage	ARC /UPS/Stock		$ 2,906.23	
12	E-mail Creation	RELIABLE IT		$ 312.50	
13	Internet Hotspot	VERIZON WIRELESS		$ 195.82	
	Phones	VERIZON WIRELESS		$ 724.50	
14	**Car and Truck**				
	Car Lease already in the rate.	TOYOTA PRIUS Wally		$ 858.52	
		TOYOTA COROLLA Nizar		$ 1,639.40	
		SILVERADO 3500		$ 3,277.42	
	Gas & Diesel- Car & Truck			$ 10,525.98	
	Insurance- Car & Truck			$ 5,104.00	
15	Prep Washer/ Filters	QUINN CAT		$ 288.22	
	Prep Compressor	J&M SERVICE		$ 1,626.19	
	Prep Waler/ Rammer	EQUIPMENT PRO		$ 2,735.57	
	Prep Skiploader	SONSRAY MACHINERY		$ 3,988.52	
16	Computer			$ 7,720.44	
17	Office Supplies, Toner, Paper			$ 1,785.34	
18	Miscellaneous Mat	S.C. / KEN/RVHARBOR FREIGHT/CAT		$ 2,691.89	
19	**Move In & Move Out**				
	Heavy Equipment			$ 7,500.00	
20	Materials Setup, Light EQUIPT and Tools			$ 7,000.00	
	Warehouse Loading & Unloading				
	Warehouse Procuring & Loading			$ 9,000.00	
	Warehouse & Shelving			$ 9,000.00	
21	**PROJECT SETUP**				
	PROCUREMENT & PURCHASING			$ 10,439.84	
	JOB BUY OUT AND CONTRACT NEGOTIATION SETUP			$ 19,308.00	
	CONTRACT ADMINISTRATION SETUP			$ 11,420.80	
	ACCOUNTING SETUP			$ 4,972.56	
	PAYROL, UNION AND INSURANCE SETUP			$ 2,724.00	
				$ 139,317.72	
			10%	$ 13,931.77	
				$ 153,249.49	
			5%	$ 7,662.47	
3	MOBILIZATION/DEMOBILIZATION		$ 162,000.00	$ 160,911.97	$ 162,000.00

SUBCONTRACTORS:

			CONTRACT	C- BILLING	
1	Rebar	QUALITY REBAR	$ 16,029.00	$ 1,240.00	$ 1,432.20
2	Fire Sprinkler	BRADSHAW ENGINEERING	$ 23,965.00	$ 3,000.00	$ 3,465.00
3	HVAC Mechanical	THERMO TEMP SERVICES	$ 38,700.00	$ 5,215.80	$ 6,024.25
4	Electrical	ENSLEY ELECTRICAL	$ 345,400.00	$ 22,606.00	$ 26,109.93
5	Fence, Gates, Hydraulic Bollard	FENCE CORP	$ 693,311.00	$ 2,821.86	$ 3,259.25
6	Striping	CAL-STRIPE	$ 110,000.00	$ 1,075.00	$ 1,241.63
7	Prefabricated Building	BIG ENTERPRISES	$ 16,863.00	$ 4,215.75	$ 4,869.19
8	Asphalt Concrete Paving	RAP ENGINEERING	$ 284,200.00	$ 1,996.00	$ 2,305.38
9	Soil Cement Sub base	PRECISION COLD PLANING INC.	$ 21,670.39	$ 7,933.82	$ 9,163.56
10	Misc. Bollard	GARCIA WELDING SERVICE	$ 38,016.00	$ 38,016.00	$ 43,908.48
11	Concrete	ROBERTSON'S	$ 39,420.00		$ -
12	Pipe, Pipe Lines	THOMPSON PIPEGROUP	$ 4,055.10		$ -
13	Trusses and Metal Deck	NEW MILLENIUM	$ 7,825.00	$ 2,000.00	$ 2,310.00

Attachment A

14	Soil Cement Material	PRECISION	$ 55,454.96		$ -
15	Access Cover	EJ	$ 9,100.00		$ -
16	Construction Hardware(Door, Frames & Hwd)	CONSTRUCTION HARDWARE	$ 7,638.93		$ -
17	Precast Catch Basin	JENSEN PRECAST	$ 9,180.00		$ -
18	Tower Demo	ANTON SERVICE	$ 49,991.00		$ -
19	Masonry	L . JOHNSON	$ 24,000.00		$ -
20	Cold Milling	PRECISION COLD PLANING INC.	$ 16,800.00		$ -
21	Roofing , Sheet Metal, Framing Insulation	EBERHARD ROOFING	$ 12,615.00		$ -
22	CCTV, Video Camera, Cables	ITI CABLING	$ 142,325.00		$ -
23	shop drawings submittals and approvals/Technical data		$ 27,773.00	$ 32,078.00	$ 32,078.00
	FURNISH AND INSTALL PRECAST CONCRETE WHEEL STOP		$ 3,542.40		
24	Concrete Parking Stall	SAN DIEGO GALVANIZING		$ 619.56	$ 715.59
	INSTALL TRAFFIC SIGNAGE		$ 32,400.00		
25	Traffic Management Plan	TRAFFIC MANAGEMENT INC.		$ 6,000.00	$ 6,930.00
	Job Hazard Analysis	SMART SAFETY GROUP		$ 10,325.00	$ 11,925.38
	sign,post, and hardware From Stock			$ 1,000.00	$ 1,155.00

GENERAL CONDITIONS:

			BUDGET	G- BILLING	
1	Bond & Insurance		$ 94,000.00		
	Bid Performance & Labor & Sub Bond	MARSH, ALLIANT		$ 46,639.00	
	Insurance Off site, Auto Insurance, Equipment	AFCO		$ 45,169.61	
2	Survey	LAND SURVEYING CONSULTANTS	$ 30,000.00	$ 18,760.00	
3	Quality Control	TWINING	$ 42,683.00	$ 4,728.10	
4	Temporary Fence	DIAMOND ENVIRONMENTAL	$ 5,000.00	$ 5,697.75	
5	Temporary Storage	PAC-Van	$ 5,000.00	$ 781.42	
6	Temporary Toilet	DIAMOND ENVIRONMENTAL	$ 2,000.00	$ 1,694.54	
7	Temporary Electric/Stock spider boxes/extension cords/conduits an fittings		$ 3,000.00	$ 1,000.00	
	Temporary Water		$ 500.00	$ 100.00	
	Diesel		$ 10,000.00		
	Phones 5 phones at $150 each		$ 6,000.00	$ 750.00	
8	Office Supplies and equipment per verified list/stocks		$ 2,000.00	$ 1,000.00	
9	Project Manager (Nezar Tibi) 4 mos.		$ 80,000.00	$ 20,151.00	
	Safety Officer (Wallace Huddlestone) 2 mos.		$ 80,000.00	$ 10,632.00	
	Drivers (Y.A. & E.M) 4 mos.		$ 30,000.00	$ 5,384.00	
	Badging		$ 1,140.00		
	Field Engineer QA/QC (Abdulrahman)		$ 30,000.00	$ 6,562.80	
	FIELD ENGINEER QA/QC (HASSAN)			$ 10,555.99	
	FIELD ENGINEER QA/ QC (ANDREW)			$ 10,192.80	
	PROJECT DIRECTOR (JIM NAVARRA)			$ 6,181.20	
			$ 421,323.00	$ 195,980.21	
			10%	$ 19,598.02	
				$ 215,578.23	
			5%	$ 10,778.91	
				$ 226,357.14	$ 226,357.14

ALLOWANCE ITEMS:

			BUDGET	G- BILLING	
10	CPM	DCS GLOBAL	$ 19,000.00	$ 14,500.00	$ 16,747.50
11	TEMPORARY EROSION/SEDIMENT CONTROL - SWPPP IMPLEMENTATION AND			$ 14,542.20	
	TEMPORARY EROSION/SEDIMENT CONTROL - STORM DRAIN INLET PROTECTION		4.00	$ 1,944.00	$ 972.00
	TEMPORARY EROSION/SEDIMENT CONTROL - TEMPORARY STABILIZED		2.00	$ 5,400.00	$ 5,400.00
	TEMPORARY EROSION/SEDIMENT CONTROL - CONCRETE WASHOUT		2.00	$ 360.00	$ 360.00
	TEMPORARY EROSION/SEDIMENT CONTROL - SCHEDULING			$ 8,910.00	
	TEMPORARY EROSION/SEDIMENT CONTROL - GEOTEXTILES AND MATS			$ 84,240.00	$ -
	TEMPORARY EROSION/SEDIMENT CONTROL - FIBER ROLLS			$ 3,720.00	
	TEMPORARY EROSION/SEDIMENT CONTROL -GRAVEL BAG BERMS			$ 6,480.00	
	TEMPORARY EROSION/SEDIMENT CONTROL - TEMPORARY TIRE WASH			$ 32,508.00	
	Dust Control (water Truck)			$ 10,791.76	$ 12,464.48
	License Water Meter	CITY OF SAN DIEGO		$ 998.00	$ 1,152.69
	SWPPP Prep	SOCAL STORMWATER RUNOFF		$ 2,697.00	$ 3,115.04
	SWPPP	HD SUPPLY WHITE CAP		$ 1,396.48	$ 1,612.93
	Misc. Mat	HD SUPPLY WHITE CAP		$ 3,092.27	$ 3,571.57
	SWPPP	CONCRETE TIE		$ 4,800.52	$ 5,544.60
	Material Handling (Forklift Rent)			$ 19,205.82	$ 22,182.72
	MATERIAL	HD SUPPLY WHITE CAP		$ 351.17	$ 405.60
		PERSONNEL CONCEPTS		$ 536.30	$ 619.43
		SAFETY VIBE		$ 133.17	$ 153.81

12 Earthwork and Demolition Grading Concrete & all other construction items

Material & tools per signed sheet by Authority			$ 41,242.00	$ 47,634.51
Heavy Equipment (Loader, Compressor)) As per verified list			$ 10,401.86	$ 12,014.15
Backhoe W/ Attachement			$ 17,658.00	$ 20,394.99
Generator Multiquip	MULTIQUIP		$ 3,218.70	$ 3,717.60
Skip Loader As per verified list			$ 3,726.09	$ 4,303.63

Attachment A

Concrete Saw	Kennedy		$	1,000.00	$	1,155.00
Superintendent (Tony Sr.)			$	5,242.32	$	6,054.88
Gen Superintendent Carlos Mendosa			$	2,690.78	$	3,107.85
Marcon Tapia Labor			$	4,328.80	$	4,999.76
Jason Stowell Operator			$	1,169.78	$	1,351.10
Jose Duron Labor			$	420.64	$	485.84
Security Manager (Tony Jr.)		288 Hrs X$150	$	43,200.00	$	49,896.00

Total Contract Claim — **$ 983,449.31**

Additional Damages due Wrongful Bad Faith Termination

Lost Profit		$	374,827.53
Total Profit less recongnized profit on the billed items above			
Lost Overhead		$	524,343.00
Total Project Overhead less Recognized Overhead Bid Item 1			
Estimating Cost	Allowance	$	80,000.00
Interest due to Prompt Payment Act delinquency in payment 6 Mo. At 10%		TBD	

Grand Total — **$ 1,962,619.84**

Terms , assumptions and conditions

1) We have billed some items as unit bid item as allowed per the specification sec 1C-12.2F
2) Interest has to be added to the final settlement figure as allowed in the public contract code for prompt payment act violation by the authority.
3) The reasonable profit percentage for the job is 10% not 5%
4) The reasonable allowance for stop notice bond ,sub contractors claim due to lack of payment ,the basic and excess insurance liability fee,etc is 5% .
5) the above is the direct cost of the contract claim only .
6) We have attached our back up in good faith .and we are willing to correct any unintended mistake if any .we are only seeking compensation for what is fair and equitable .
7) Based on the final claim figure the corporate overhead should be adjusted in order not to have any duplication in the charges . The percentage used in the claim calculation is the percentage indicated in the specification .
8) The civil rights claim and the impact claim including the owner interference claim are not priced in this claim .
9) We have charged the labor and equipment wasted time due to the authorities refusal to allow us to proceed with the work per the contract terms .
10) We did not include the damages for wrongful bad faith termination

Exhibit - 1 -
Attachment A

Transmittal Form

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Project	104129-Clear OFA TAXIWAY B	Project #	104129

From:	FACILITIES DEVELOPMENT DEPARTMENT 2417-A Mccain Road San Diego,CA 92101	**To:**	FACILITIES DEVELOPMENT DEPARTMENT 2417-A Mccain Road San Diego, CA 92101	**Description:**	Notice of Termination for Convenience
				Date:	2/15/2017
	Nicole Reyna	**Attention:**	FDD Document Control	**Transmittal #:**	0058

Transmittal Type		**Remarks**		**Transmittal Status**	
Type:	Multiple	☐	For Your Information	☑	Draft
☐	Submittal Sets:	☐	For Your Approval	☐	Submitted
	Spec Section	☐	Approved as Noted	**Send Via**	
	Set	☐	For Your Records	☑	Attached
	Rev:	☐	For Construction	☐	Delivered Via:
	Doc Date:	☐	Active Do Not File		
		☑	To File		
		☐	For Signature		
		☐	For Payment Application		
		☐	For Review and Comment	☐	Due Date:

Qty	Transmitted Item	Item No	Date	Description	Status	File Code
1	Letter	1	02/15/2017	Notice of Termination for Convenience	No Action	01200

Comment:

Signature: Nicole Reyna

Signed Date: 02/15/2017

PMWeb

Attachment A

SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

U.S. Postal Service™
CERTIFIED MAIL® RECEIPT
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

7016 1370 0001 2296 0063

Certified Mail Fee
$
Extra Services & Fees (check box, add fee as appropriate)
☐ Return Receipt (hardcopy) $
☐ Return Receipt (electronic) $
☐ Certified Mail Restricted Delivery $
☐ Adult Signature Required $
☐ Adult Signature Restricted Delivery $
Postage
$
Total Postage and Fees
$
Postmark Here
Sent To
Street and Apt. No., or PO Box No.
City, State, ZIP+4®
PS Form 3800, April 2015 PSN 7530-02-000-9047 See Reverse for Instructions

February 15, 2017

Sam Katbi
Future DB International, Inc.
6 Hutton Centre, Suite 600
Santa Ana, CA 92707
SENT VIA EMAIL AND CERTIFIED MAIL

Re: Notice of Termination for Convenience -- Project 104129

Mr. Katbi:

The San Diego County Regional Airport Authority's (Authority) and Future DB International, Inc. (FDB) are parties to a contract for Project 104129-Clear OFA Taxiway B at San Diego International Airport ("Project") dated December 22, 2016 ("Contract"). This letter serves as notice pursuant to section 1C-11.3 and 1C-11.4 of the Contract that the Authority is terminating the Contract for convenience effective February 15, 2017. Please be advised that you are required to:

1. Stop all work under the Contract effective February 15, 2017;
2. Place no further orders or subcontracts for materials, equipment, services or facilities on the Project;
3. Place no further equipment at the Project;
4. Terminate all orders or subcontracts;
5. Assign to the Authority all right, title, and interest of FDB under any orders or subcontracts suspended, interrupted or terminated;
6. Settle all outstanding liabilities and all claims arising out of the termination of orders and subcontracts, with the approval or ratification of the Authority Board to the extent the Board should so require;
7. Transfer title to the Authority of all, and deliver to the Authority the fabricated and unfabricated parts, work in process, completed work, supplies and other materials produced as part of, or acquired in connection with the performance of, the work terminated by this notice of termination, and the completed or partially completed plans, drawings, information and other property, which, if the Contract had been completed, would have been required to be furnished to the Authority;
8. Take such action as may be necessary, or as the Authority may direct, for the protection and preservation of the property related to this Contract which is in the possession of FDB and in which the Authority has or may acquire an interest; and
9. Maintain all required insurance as if the Contract had been satisfactorily performed and accepted by the Authority.

Please be advised you have ninety (90) days from the effective date of this Notice of Termination to submit to the Authority a certified termination claim [Contract, section 1C-

11.4.B]. If you fail to submit a certified termination claim within the ninety (90) day period, the Authority may determine, based upon the information available to it, the amount, if any, due to FDB. The Authority shall then pay to FDB the amount so determined. [Contract, section 1C-11.4.B]. Please refer to section 1C-11.4.B, C, D, and E for detailed information on the claims and payment process related to a termination for convenience.

Sincerely,

Thella F. Bowens
President/CEO
San Diego County Regional Airport Authority

cc: Jeffrey Woodson
Iraj Ghaemi
Amy Gonzalez

Attachment A

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Ensley Electric, Inc.
993 Melissa Park Terrace
El Cajon, CA 92021
Attn: Brandon Ensley

9590 9402 1997 6123 9983 01

2. Article Number (*Transfer from service label*)

16 1370 0001 2296 0056

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ☒ Agent ☐ Addressee

B. Received by (*Printed Name*) Melissa A. Ensley

C. Date of Delivery 2/18/17

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☒ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over $500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Future DB International, Inc.
6 Hutton Centre, Suite 600
Santa Ana, CA 92707
Attn: Sam Katbi

9590 9402 1997 6123 9982 95

2. Article Number (*Transfer from service label*)

016 1370 0001 2296 0063

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X ☐ Agent ☐ Addressee

SANTA ANA-S. MAIN FEB 21 2017 CA 92

B. Received by (*Printed Name*)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☐ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Insured Mail
- ☐ Insured Mail Restricted Delivery (over $500)
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

PS Form 3811, July 2015 PSN 7530-02-000-9053 Domestic Return Receipt

Attachment A

USPS TRACKING #

9590 9402 1997 6123 9983 01

DEL 2-24

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

San Diego Cty Reg Airport Authority
P.O. Box 82776
San Diego CA 92138-2776
Attn: Nicole Reyna (FDD)

USPS TRACKING #

9590 9402 1997 6123 9982 95

First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

United States
Postal Service

• Sender: Please print your name, address, and ZIP+4® in this box•

San Diego Cty Reg Airport Authority
P.O. Box 82776
San Diego CA 92138-2776
Attn: Ted Rigo (FDD)

Exhibit 2
Attachment A

Sam Katbi

From: Rios Kendy <krios@san.org>
Sent: Thursday, February 16, 2017 4:48 PM
To: skatbi@futuredbi.com
Cc: Kaminetz Lee; Gonzalez Amy
Subject: Ltr - Clear OFA Taxiway B At SDCRAA
Attachments: Letter - Clear OFA Taxiway B at SDCRAA2-16-17.pdf

Dear Mr. Katbi:

Please see the attached letter.

Thank you.

Kendy Rios
Executive Assistant | General Counsel
T 619.400.2424
krios@san.org

SAN DIEGO INTERNATIONAL AIRPORT
LET'S GO.

www.san.org |
San Diego County Regional Airport Authority, PO BOX 82776, San Diego, CA 92138

Attachment A

SAN DIEGO INTERNATIONAL AIRPORT

LET'S GO.

February 16, 2017

Sent via US Mail and Electronic Mail

Mr. Sam Katbi, President
Future DB International, Inc.
6 Hutton Centre, Suite 600
Santa Ana, CA 92707

Re: Project 104129-Clear OFA Taxiway B at San Diego International Airport

Dear Mr. Katbi:

The undersigned represents the San Diego County Regional Airport Authority ("Authority") concerning the contract between it and Future DB International, Inc. ("Future DBI") for Project 104129 – Clear OFA Taxiway B at San Diego International Airport ("Project") dated December 22, 2016 ("Contract"). The Authority is in receipt of your various emails to Mr. Rigo and Mr. Ghaemi dated February 10, February 13, February 14 and February 15, 2017 (collectively, the "Emails"). As you know, the Authority terminated this Contract for convenience, effective February 15, 2017. In light of that termination, the Authority will not be responding to each of the specific allegations made in the Emails at this time, except as follows:

1. The Authority categorically denies Future DBI's allegations that the delay in issuing an NTP on the Project was caused by anything other than Future DBI's failure to properly badge its workforce and make required submittals under the Contract; and
2. The Authority categorically denies Future DBI's allegations that the Authority's actions in this matter were motivated by the race or nationality of Future DBI's employees or subcontractors. The Authority takes great pride in the diversity of its employees and those of its contractors, subcontractors and the San Diego community. The Authority's considerable efforts to assist Future DBI in meeting the requirements of this Contract are well-documented and will speak for themselves.

Please forward all future correspondence concerning this matter to the undersigned. The Authority expressly reserves all of its rights under the Contract and applicable law.

Sincerely,

Amy Gonzalez
General Counsel

Exhibit 3

Attachment A

Sam Katbi

From:	Sam Katbi <skatbi@futuredbi.com>
Sent:	Monday, February 20, 2017 3:01 PM
To:	'Gonzalez Amy'
Cc:	'Kaminetz Lee'; 'Rios Kendy'
Subject:	RE: Ltr - Clear OFA Taxiway B At SDCRAA
Attachments:	Exhibit#1.pdf; Exhibit#2.pdf; Exhibit#3.pdf; Letter to General Counsel.pdf

Dear Ms. Gonzalez:

It is clear from your letter that you have been misinformed about the real facts on this project by your own project management team, and grossly misled. Please See the attached reply to your letter dated Feb 16,2017.

Thank you,

SAM KATBI

President

FUTURE DB INTERNATIONAL INC

Future DB International, Inc

t: 949-390-2110

From: Rios Kendy [mailto:krios@san.org]
Sent: Thursday, February 16, 2017 4:48 PM
To: skatbi@futuredbi.com
Cc: Kaminetz Lee; Gonzalez Amy
Subject: Ltr - Clear OFA Taxiway B At SDCRAA

Dear Mr. Katbi:

Please see the attached letter.

Thank you.

Kendy Rios
Executive Assistant | General Counsel
T 619.400.2424

Attachment A

krios@san.org

SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

www.san.org |
San Diego County Regional Airport Authority, PO BOX 82776, San Diego, CA 92138

Attachment A

FUTURE DBI
INTERNATIONAL INC.

February 20, 2017

Ms. Amy Gonzalez
General Counsel
San Diego International Airport
P.O. Box 82776
San Diego, CA, 92707

Dear Ms. Gonzalez,

We are in receipt of your letter dated February 16, 2017 concerning the contract between the San Diego County Regional Airport Authority ("Authority") and Future DBI International Inc. ("Future DBI") dated December 22, 2016, sent on January 6, 2017, which we received on January 11, 2017.

We continue to express our concern that the contract has been unlawfully terminated in violation of the civil and constitutional rights of the company and its individual employees. We believe the decision to terminate us on the airport project is motivated by discriminatory animus towards the Middle Eastern ethnicity of FDBI employees. In numerous instances, to multiple agents of FDBI, representatives of the Authority have expressed a heightened concern that members of our staff, who were assigned to work on the airport project, are Middle Eastern. The ethnicity of our staff is irrelevant to our qualifications and our capacity to deliver on the Project. Evaluating our staff on the basis of ethnicity or nationality, and excluding us from participating in a public works project on this basis, is discriminatory and illegal. It appears that agents of the Authority have not made up their minds which pretextual basis they should use to terminate Future DBI on the airport project. Despite our good faith efforts and eagerness to proceed with honoring our contractual obligations, we were previously informed, in the termination letter, that the Authority terminated the Contract "Out of Convenience." In contrast, your letter has now informed us that the delay in issuing the NTP on the Project was caused by "Future DBI's failure to properly badge its workforce and make required submittals under the Contract," suggesting that the contract was not actually terminated out of convenience, but for a "Cause". The confusion and lack of agreement on the basis for termination between various agents of the Authority suggests that there was no good reason to ever terminate Future DBI's airport contract with the Authority, and the termination was an act of bad faith.

On Jan 17, 2017, I had a phone conversation with Mr. Ted Rigo to complain about the Authority's continuous harassment, rejection of our submittals, and refusal to issue the NTP. To my surprise, during this conversation, Mr. Rigo expressed dismay and objection towards employing a Middle Eastern staff on an airport project. Mr. Nezar Tibi, the Project Manager, was in my office and overheard the conversation on speaker phone. Mr. Tibi left my office extremely

8707 Research Drive, Irvine, CA 92618 • Tel: 949-390-2111 • Fax: 949-732-4355

upset and stressed that he might be losing his job. I assured Mr. Tibi that Mr. Rigo's statement may be an individual bias, however we will address it to the Authority to remedy the issue.

On January 24, 2017, Mr. Iraj Ghaemi, the Director of Facilities Development, called for a meeting. I had hoped that in this meeting, we would finally have an ear to listen to our grievance. During the meeting, however, upper management was not ashamed to tell us directly, several times, and I am paraphrasing: "What do you expect from us, having a staff of Middle Eastern employees on an airport job. We will be very frank with you, we are going to put you under a microscope, and everyone from Washington to the Third Floor here at this airport are having problems with this many Middle Easterners on the job. We offer you a way out of this contract, you can leave peacefully on your own and we will not impose the penalties, or you will be penalized until you satisfy our requests to the letter. We will not make it easy, you either comply with our demands or it will be a difficult job for you." My response to Ted, Michael, and Iraj, was that this project is rightfully ours, we will not be pushed out of it, and I will push my staff above and beyond the limits to meet project requirements and honor our contractual obligations.

We have been kept in the dark about who made the decision not to issue the NTP in preparation to terminate us and why. The Director of Facilities Development, in the presence of upper management staff, has stated in the January 24th meeting that decision makers in the federal government from "Washington" up to the "third floor" of his building are concerned about Middle Eastern workers on an airport job, as if the ethnic composition of our staff is in any way related to our capacity to successfully complete a construction project.

Is it the Airport Authority, represented by its Board, which made the decision to terminate our contract, because of the presence of Middle Eastern staff members working in their airport? Mr. Rigo, the Project Manager, has repeatedly expressed his concern about Middle Easterners working on the job and has given us hell on the project, starting from his refusal to issue the NTP as per Article 8 of the General Conditions. He has insisted on penalizing us for no apparent reason, and has assessed liquidated damages since day one of the job, January 12, 2017. We received the contract award on January 11, 2017, and are under no obligation to the Authority to start work prior to this date. Moreover, Mr. Rigo, in bad faith, has pretended that he is working with our staff by freezing the illegal liquidated damages he fabricated and enforced for six days, then reinstating them. He has fraudulently blamed our alleged "lack of performance" for his conduct, while he is the one holding off on the NTP. Mr. Rigo has repeatedly insulted us in meetings, his staff has nitpicked on grammatical and punctuation issues in the contract, and demanded the completion of items not listed in the contract as a precondition to issue us the NTP in direct conflict with the contract terms.

Or, should we believe your letter to be the real reason for terminating our contract? If so, allow me to clarify the badging issue. Ms. Nicole Wimmer, who is in charge of badging for the

FUTURE DB INTERNATIONAL INC.

Authority, appears to be overwhelmed by her duties and has not kept up with the badging paperwork we provided to her. We have addressed our concern about her performance on badge issuance (See email from Sam Katbi to Iraj Ghaemi and Ted Rigo, February 10, 2017). Furthermore, we have secured Thirty Five badges, Twenty five have been authorized with number even though executing Phase One of the project only requires three badges for workers to install minor fencing at the end of the phase. All other work is outside the security area. We have attached proof of the 25 issued badges to this letter, and a schedule of the other ten who were getting their formal training to get the final badge number.

In your letter you have stated that our company failed to submit the required submittals per the contract. You have been misinformed in that regard. We have attached the transmittal letters with a stamp of approval from the airport Authority approving every item listed in Milestone No. 1, even in the absence of a NTP mandated by the contract to start the contract time. If we consider January 11, 2017 as the date of award, we still have up to February 25, 2017 to finish gaining approval of the listed items in Schedule 1D-03B before the liquidated damages start to kick in. Ted decided to unilaterally assess liquidated damages at his own pace, since day one of the contract, without issuing a NTP, in order to intimidate us and disrupt our operations, putting them out of control.

The FDBI team has diligently worked to secure this project and we have adhered not only to its specified terms, but to the additional, arbitrary and capricious requirements the Authority has imposed upon us. In our professional experience, the delay in issuing the NTP as well as the additional obstacles and early assessment of liquidated damages are highly unusual. We remain ready and able to proceed with the work if and when we are granted a fair chance and equal opportunity to do business with the Authority. We respectfully request that you review our documents and arrange a Board Hearing in order for us to fairly bring our claims before Board Members. We request that the Authority withdraws its termination, compensates us for all the damages and hardship your staff has imposed upon us, and we request that the Authority reinstates us on the job, and ceases the damage it is doing to our professional reputation amongst our partner subcontractors. We hope you will comply with our requests in order to honor the Authority's commitment to diversity and equal opportunity you have expressed in your letter.

Sincerely,
Future DB International, Inc.

Sam Katbi
President

Exhibit Attachment A3

Sam Katbi

From:	Sam Katbi <skatbi@futuredbi.com>
Sent:	Friday, February 10, 2017 7:24 PM
To:	ighaemi@san.org; Rigo Ted
Cc:	'Tilley Michael'; 'McCollom Pat'; 'Sarles Mark'; 'Jovanovic Tom'; ntibi@futuredbi.com; 'James Navarra'; 'Reyna Nicole'
Subject:	Future DB Badge forms sent of Review

Iraj and Ted,
I would like you to review the email thread below in regards to the badging process. Since the day I was at Iraj's office and was "lectured" about the inefficiency of the badging process, and hiring my project staff from Ross I took that very seriously. First, I found out that the person Iraj was concern about him being unqualified as a badged staff because he worked at Ross was a Truck Driver, he needed to be badged in order to deliver our material to airside. I took him off the job although he is important to the operation just to please you.

Secondly, I made a change to our assigned badging staff member Abdul Rahman thinking it was his fault. However, now I have a deep concern about the prior negative information and cloudy image that was transmitted to you by Ms. Nicole Wimmer in regards to his "incompetency" in handling the applications for badging. For a while, Abdul Rahman was complaining to me that Nicole was constantly giving him "missing/correction" notes to Information already provided on the application, or sometimes contradicting herself in requesting handwritten answers with typed while she says in the same email and on the form itself it can be hand written. I removed Abdul Rahman from his position just to please you. I replaced him with Andrew. Apparently, the same trend of negative responses began to come our way again. She told Andrew that information were not complete, exactly like she has done in the past with Abdul Rahman while in fact it was provided, Andrew took the form to her office and showed it to her physically, first she claimed that it was not on the email copy he sent earlier "which was untrue", then she open her email and realized her misstatement. "see Below". Abdul Rahman reported the same situation happen to him in the past too. In conclusion you were hearing one sided story, but not anymore.

The explanations come to my mind is either Ms. Wimmer is overwhelmed with her duties, or she is picking on FDBI and purposely delaying their badges for unknown reason. Abdul Rahman was placed on probation because of her, but now I have second thoughts about the whole situation.

I feel the need to report this to you officially, this is a serious matter needs to be addressed and corrected since the Authority is using the delay in badging as a reason to assess LD's.

Regards,

SAM KATBI

President

FUTURE DB
INTERNATIONAL INC

Future DB International, Inc

t: 949-390-2110

---------- Forwarded message ----------
From: **Wimmer Nicole** <nwimmer@san.org>
Date: Fri, Feb 10, 2017 at 3:32 PM
Subject: RE: Future DB Badge forms sent of Review
To: Andrew Hawasli <andrewh@futuredbi.com>
Cc: Couture Gary <gcouture@san.org>, McInnis Rogelio <rmcinnis@san.org>, Reyna Nicole <nreyna@san.org>, Rigo Ted <trigo@san.org>, Sarles Mark <msarles@san.org>, Obtera Orland <oobtera@san.org>, Tony Vazquez <avazquez@futuredbi.com>

Andrew,

The application packet for **Ramiro Acevedo** was correctly edited. This means that Ramiro, **Edgar Dominguez Dominguez,** and **Anthony Keiler** are ready to proceed for an appointment.

I still need the packets scanned for **Carlos Casellon, Carlos Soto,** and **Paul Alvidrez**, with changes made.

Thank you,

Nicole Wimmer

Administrative Assistant II | Facilities Development

619.400.2683

From: Andrew Hawasli [mailto:andrewh@futuredbi.com]
Sent: Friday, February 10, 2017 3:28 PM
To: Wimmer Nicole
Cc: Couture Gary; McInnis Rogelio; Reyna Nicole; Rigo Ted; Sarles Mark; Obtera Orland
Subject: Re: Future DB Badge forms sent of Review

Good Afternoon Nicole,

Thank you for taking time out of your busy schedule to meet with Tony and I. I was very happy to clarify that the file I sent to you earlier was correct. If you need any assistance in the future, please feel free to call me and I will clarify any issues.

Thank you,

Andrew Hawasli

Project Administrator

Cell: 714.643.2789

Email: Andrewh@futuredbi.com

On Fri, Feb 10, 2017 at 12:16 PM, Wimmer Nicole <nwimmer@san.org> wrote:

Good morning Andrew,

Thank you for sending these revised packets.

Attachment A

In future, please verify that each of my identified corrections have been addressed prior to resubmitting the packets for review; I try to list the corrections in a bullet-point format to make it easier for you to verify each correction; these attachments had numerous items which I identified but were either not corrected or were modified differently than my instructions. If you verify that all of the items have been addressed on your end before forwarding the packet to me, it will make for a much more expeditious process.

Carlos Castellon

- This application is sufficient, but only one form of ID was submitted. Prior to scheduling a fingerprinting appointment, this applicant will need to submit a second form of identification for clarification.

Carlos Mendoza Soto

- The changes made to these documents did not correctly address the instructions from my original email. Please correct **ALL** documents to this format of the provided IDs:
    - Legal Name: Soto, Carlos, Mendoza
    - Alias: Mendoza, Carlos S.
        - Please note that it is **not** acceptable to write the names in any other format (such as first name, last name). These corrections need to be made throughout all of the documents, and please resubmit the entire packet for review.

Edgar Dominguez Dominguez

- This application is acceptable.

Ramiro Acevedo

- My identified corrections regarding the completion of the ten-year background history have not been met. Please evaluate the ten-year background history for completion and resubmit.

- Mr. Acevedo needs to complete his forms to properly record his legal name and alias throughout his form. Please correct **ALL** documents to this format, from his provided IDs:
    - Legal Name (on Federal documents: Passport Card and Social Security card): Acevedo, Ramiro
    - Alias (on Driver's License): Acevedo Guillen, Ramiro
        - These corrections need to be made throughout all of the documents, and please resubmit the entire packet for review.

- My identified corrections regarding the tan SIDA application have not been addressed.

Paul Alvidrez

- Please be advised that a corrected packet has not been resubmitted for this applicant. Please make the suggested corrections and resubmit for review.

Anthony Kieler

- This application is acceptable.

Thank you,

Nicole Wimmer

Administrative Assistant II | Facilities Development

619.400.2683

From: Andrew Hawasli [mailto:andrewh@futuredbi.com]
Sent: Friday, February 10, 2017 11:18 AM
To: Wimmer Nicole
Subject: Re: Future DB Badge forms sent of Review

Good Afternoon Nicole,

I have corrected Carlos Castellon, Carlos Mendoza Soto, Romiro Acevedo's forms. I also have Anthony Kieler's forms attached with the corrected forms. Please review the forms and let me know if I need to make any more corrections.

Thank you

Andrew Hawasli

Attachment A

Project Administrator

Cell: 714.643.2789

Email: Andrewh@futuredbi.com

On Thu, Feb 9, 2017 at 10:26 AM, Wimmer Nicole <nwimmer@san.org> wrote:

Good morning Andrew,

Thank you for submitting these badging applications for your staff.

Carlos Castellon

- This application is acceptable. However, the Access Level should list, "All No Level A." Please correct.
- This applicant needs to submit a copy of his identification prior to moving forward with a fingerprinting appointment.

Carlos Mendoza Soto

- This month of 3/12 is not accounted for. This time period must be accounted for.
- Page 9: Please initial changes made to "To" Date.
- The months of 2/14 through 11/14 are not accounted for. This time period must be accounted for.

- This applicant's identifications do not match the name he used throughout the application. On his Driver's license and Social Security Card, his legal name is listed as, Soto, Carlos Mendoza. On his applications, he used the last name Mendoza, Carlos Santo. The name on his federal documents supersedes his state documents. Please verify his legal name (as it appears on his passport or other legal documents) as well as update every instance of his name throughout the applications to reflect his legal name. Since it appears multiple ways on his IDs (his union card included), he will also need to record all other versions of his name as aliases. Please note that no white-out may be used on these forms; all changes must be crossed out and changed; all forms must be computer-filled (not handwritten) except Sections I and II and the tan SIDA form.

- The tan SIDA form needs to have the all boxes filled, including badge holder job title and the others in that section.

Edgar Dominguez Dominguez

- This application is acceptable. However, Mr. Dominguez Dominguez's Permanent Resident card lists him as a resident since 2013, whereas his ten year background history lists him as working in the US since 1999. Please verify these dates with him prior to the appointment; no changes are required, but I am just trying to ensure that his information is accurate so that he can move efficiently through the background process.

Romiro Acevedo

- The company information on the tan SIDA form needs to be completed – please use other successfully completed forms as a template/guide for how to properly complete this section.

- The ten-year background history is missing the months of 2/2007 through 8/2012. This time period must be accounted for, with gaps no greater than one month.

Jason Stowell

- This application is satisfactory and this applicant may move forward with a fingerprinting appointment at his convenience.

Paul Alvidrez

- Page 3: State must be added to place of birth.

- Page 6: State must be added to place of birth.

- A second form of acceptable ID must be submitted with this application.

- On the tan SIDA application, Company Sponsor (SDCRAA) must be entered.

Thank you,

Nicole Wimmer

From: Andrew Hawasli [mailto:andrewh@futuredbi.com]
Sent: Wednesday, February 08, 2017 3:09 PM
To: Wimmer Nicole
Cc: James Navarra; Antonio Vazquez; Nizar Tibi; Sam Katbi
Subject: Future DB Badge forms sent of Review

Good Afternoon Nicole,

Please see the attached forms for Future DB International Inc. Employees. If any corrections are needed I will promptly make the appropriate changes.

Thank you,

Andrew Hawasli

Project Administrator

Cell: 714.643.2789

Email: Andrewh@futuredbi.com

Attachment A

Sam Katbi

From:	Sarles Mark <msarles@san.org>
Sent:	Thursday, February 16, 2017 1:53 PM
To:	Nizar Tibi
Cc:	Sam Katbi; Jovanovic Tom; Rigo Ted; Reyna Nicole
Subject:	FW: CIP 104129 - Clear OFA Twy B - Badges
Attachments:	Badges.pdf

Nezar,
I have returned the three badges listed on the attached transmittal. For the subcontractor personnel listed below, I can accept the badges at their convenience. The following excerpted information is provided from the Access Control Office and should be forwarded to your subcontractors to ensure timely return of the badges listed. This serves as the initial notice to return the badges. If you have any questions, let me know.

Mark V. Sarles, PE, CCM, LEED AP
Construction Manager | Facilities Development Department
AB Engineering, Inc.
T 619.400.2480 | M 760.505.0986
msarles@san.org

www.san.org |
San Diego County Regional Airport Authority, PO BOX 82776, San Diego, CA 92138

[Sarles Mark]
From: ACO Customer Service
Sent: Thursday, February 16, 2017 10:23 AM

All:

All badges under Future DBI have now been deactivated. For those badges that are not in possession of the ACO, they have been placed on the Stop List.

In regards to retrieving the badges, all employees who attend training are notified of the requirement to return badges as soon as they do not have an operational justification to have them. Once a month, the ACO will send a notice to all companies with outstanding (not returned/unpaid) that they must pay $75 for every badge that is not returned.

As the Senior Authorizing Agent, if they do not respond to your initial notice to return the badges, you should proceed with sending a certified letter to the company. It is important to ensure that a record of all notices is maintained for audit purposes. For those sub-contractors badged under Future DBI and have an active badge with another company here at SAN, please advise them that their second badge will be deactivated and placed on the Stop List for failure to return their Future DBI SIDA. Any company with employees who fail to return terminated/expired badges to the ACO will not be able to process for any other SIDA badges at SAN until the original outstanding badges have been returned.

The following badges have been deactivated and placed on the Stop List:

- Joseph Attanasio Jr 0078740
- Steven Carter 0078743
- Paul Ensley 0078748
- Wallace Huddleston Jr 0078805

- Jorge Moreno 0078762
- James Navarra 0078806
- Sean Regan 0078741
- Angel Reyes 0078747
- Sergio Reyes Mendoza 0078750
- Joel Sanchez 0078761
- Zachary Schulz 0078742
- James Seitz 0078739
- Antonio Vasquez 0078807
- Nicholas Williams 0078749

The following badges are in possession of the ACO and not on the Stop List:

- Dale Brewer 0078707
- Michael Ellis 0078706
- Brandon Ensley 0078751
- John Montville 0078703
- Mohamad Tibi 0078808
- Antonio Vazquez 0078861
- Robert Williamson 0078708

Regards,

ACCESS CONTROL OFFICE
San Diego County Regional Airport Authority
P.O. Box 82776, San Diego, CA 92138-2776
P: 619.400.2765 | F: 619.400.7227 | Email: acocustomerservice@san.org
www.san.org |

SAN DIEGO
INTERNATIONAL AIRPORT

[Sarles Mark] Inserted from subsequent e-mail:
From: ACO Customer Service
Sent: Thursday, February 16, 2017 10:40 AM

The ACO is in possession of Brian Perez's badge. He will not appear on the Stop List.

Regards,

ACCESS CONTROL OFFICE
San Diego County Regional Airport Authority
P.O. Box 82776, San Diego, CA 92138-2776
P: 619.400.2765 | F: 619.400.7227 | Email: acocustomerservice@san.org
www.san.org |

Attachment A

Ensley:

Employees who received badges were Zachary Schulz, Joseph Attanasio Jr, James Saltz, Steven Carter, Sean Regan, Sergio Reyes Mendoza, Angel Reyes, and Nicholas Williams. 2/15/2017

Future DB:

Employees who received badges were Wallace Huddleston Jr. James Navarra, Antonio Vasquez. Nezar Tibi and Antonio Vazquez Sr. were going to be trained on 2/16/2017. Carlos Castellon, Jason Stowell, Romiro Acevedo, and Anthony Keiler were scheduled for finger printing on Friday 2/17/2017. Carlos Mendoza, Eduardo Cruz, and Paul Alvidrez were also ready to be finger printed after review.

Fencecorp.:

Joel Sanchez, Jorge Moreno both finished their training on2/15/2017 Narcie Sousa did not pass the training and was scheduled to retake it on the 21st of February 2017.

ITI Cabling:

David Rust, Eduardo Huerta, Mark Meyers, Matt Mulhern, Michael Allen, and Pablo Ruiz were all ready for Finger Printing.

RAP Engineering:

Brian Perez and John Montville were in the middle of their training when they were removed from it. 2/16/2017

Land Surveyors:

Dale Brewer, Michael Ellis, and Roger Williamson were in the middle of training when they were removed from it. 2/16/2017

Socal Stormwater:

Farzod Kasmaei was ready to be scheduled next week for training. 2/22/2017

Attachment A

Name	Company	Status	Badge Number
James Navarra	Future DB International Inc.	Complete	78806
Antonia Vasquez	Future DB International Inc.	Complete	78807
Wallace Huddleston Jr.	Future DB International Inc.	Complete	78805
Nezar Tibi	Future DB International Inc.	Training Cancelled	N/A
Antonia Vasquez Sr.	Future DB International Inc.	Training Cancelled	N/A
Carlos Castellon	Future DB International Inc.	Finger Printing Cancelled	N/A
Anthony Keiler	Future DB International Inc.	Finger Printing Cancelled	N/A
Jason Stowell	Future DB International Inc.	Finger Printing Cancelled	N/A
Romiro Avecedo	Future DB International Inc.	Finger Printing Cancelled	N/A
Paul Alvidrez	Future DB International Inc.	Finger Printing Cancelled	N/A
Carlos Mendoza	Future DB International Inc.	Finger Printing Cancelled	N/A
Eduardo Cruz	Future DB International Inc.	Finger Printing Cancelled	N/A
Name	**Company**	**Status**	**Badge Number**
Zachary Schulz	Ensley	Complete	78742
Joseph Attanasio Jr	Ensley	Complete	78740
James Seitz	Ensley	Complete	78739
Steven Carter	Ensley	Complete	78743
Sean Regan	Ensley	Complete	78741
Sergio Reyes Mendoza	Ensley	Complete	78750
Nicholas Williams	Ensley	Complete	78749
Angel Reyes	Ensley	Complete	78747
Name	**Company**	**Status**	**Badge Number**
Joel Sanchez	Fencecorp Inc.	Complete	78761
Jorge Moreno	Fencecorp Inc.	Complete	78762
Narcie Sousa	Fencecorp Inc.	Failed	N/A
Name	**Company**	**Status**	**Badge Number**
David Rust	ITI Cabling Inc	Finger Printing Cancelled	N/A
Eduardo Huerta	ITI Cabling Inc	Finger Printing Cancelled	N/A

Attachment A

Mark Meyers	ITI Cabling Inc	Finger Printing Cancelled	N/A
Matt Mulhern	ITI Cabling Inc	Finger Printing Cancelled	N/A
Michael Allen	ITI Cabling Inc	Finger Printing Cancelled	N/A
Pablo Ruiz	ITI Cabling Inc	Finger Printing Cancelled	N/A
Name	**Company**	**Status**	**Badge Number**
Brian Perez	RAP Engineering Inc.	Removed During training	N/A
John Montville	RAP Engineering Inc.	Removed During training	N/A
Name	**Company**	**Status**	**Badge Number**
Dale Brewer	Land Surveyors	Removed During training	N/A
Michael Ellis	Land Surveyors	Removed During training	N/A
Roger Williamson	Land Surveyors	Removed During training	N/A
Name	**Company**	**Status**	**Badge Number**
Farzod Kasmaei	Socal Stormwater solutions	Training Cancelled	N/A

Attachment A

Exhibit 3

1D-03B CONTRACTOR MILESTONES AND LIQUIDATED DAMAGES

TABLE 1 – COMPOSITE MILESTONE LIST

Milestone No.	Milestone Description	Number of Calendar Days* from Notice of Award Date	Daily Liquidated Damages
1	Administrative Processing Time 1. Submittal Register approved 2. Appendix 4 Submittals approved 3. Long lead items submittals submitted 4. Site Specific Safety Plan and IIPP approved 5. SWPPP approved 6. Construction Phase/Traffic Control Plan approved 7. OCIP Enrollment completed 8. Cost Loaded Construction CPM Schedule submitted 9. Badging completed 10. TSA AOA Fencing Notification Alteration submitted	45	$3,400
Milestone No.		**Number of Calendar Days* from Issuance of NTP**	**Daily Liquidated Damages**
2	Substantial Completion	271	$10,900
3	Final Completion and Acceptance	301	$3,400
4	O&M Manuals, As Built Record Drawings Redlines submitted to and accepted by the Authority	Within 20 days from Issuance of Substantial Completion	$1,700

The maximum daily liquidated damages shall not exceed $10,900 identified in Table 1 – Composite Milestone No. 2.

*Calendar days includes Saturdays, Sundays, and holidays.

Attachment A

Milestone (1) Approval Status

Submittal Register #	Description	Date Submitted	Last day of approval by Feb/25	STATUS
1- Submittal register				
1	Submittal Register & Procurement Log	1/4/2017	1/10/2017	**Approved as noted**
2- Appendix 4 Submittals				
2	General Injury and Illness Prevention Plan	12/20/2016	01/13/17	**Approved**
	Site-Specific Safety Plan	12/13/2016	01/30/17	**Approved**
	OSHA 300 Logs for the preceding 3 years	12/21/2016	12/27/2016	**Approved**
	Cal/OSHA and Fed/OSHA Inspection and Violatio Reports for the preceding 5 years	12/21/2016	12/27/2016	**Approved as noted**
	Job Hazard Analysis	1/17/2017	2/9/2017	**Approved**
	Names of "Competent Person"	12/21/2016	02/08/17	**Approved**
	Safety Data Sheet	12/21/2016	01/30/17	**Approved**
	Traffic Revision Plan	12/28/2016	2/15/2017	**Request correction for minor agreed one revision disapproved**
	Site Safety Representative	12/21/16	01/17/17	**Approved**

Attachment A

3- Long Lead Items Submittals Submitted				
3	Diesel Engine Generators - Shop Drawings	1/17/2017	1/23/2017	**Approved**
	Diesel Engine Generators - System Schematid Diagram	1/17/2017	1/23/2017	**Approved**
	Diesel Engine Generators - Installation Fact Sheet	1/17/2017	1/23/2017	**Approved**
	Diesel Engine Generators - Torsional Vibration Analysis	1/17/2017	1/23/2017	**Approved**
	Automatic Transfer Switches - Product Data	1/17/2017	1/23/2017	**Approved**
	Exterior Lighting - Product Data	01/17/17		**In Review**
	Chain Link Fence and Gates - Shop Drawings	1/6/2017	1/12/2017	**Approved as noted**
	Chain Link Fence and Gates - Product Data	1/6/2017	1/12/2017	**Approved as noted**
	AOA Vehicle Speed Gate - Shop Drawings	2/10/2017	2/13/2017	**Approved as noted**
	Hydraulic Bollard System - Plans and Details	2/9/2017	2/13/2017	**Approved as noted**

Attachment A

3	Fabricated Structure (Guard Post) - Shop Drawings	1/17/2017	1/24/2017	**Approved as noted**
	Steel Joist Framing - Shop Drawings	01/19/17	02/09/17	**Approved as noted**
	Steel Joist Framing - Manufacturer's Qualification Statement	02/07/17	02/14/17	**Approved**
	Steel Decking - Shop Drawings	01/19/17	02/09/17	**Approved as noted**
4- Health and Safety - HSP				
4	General Injury and Illness Prevention Plan	12/20/2016	01/13/17	**Approved**
	Site-Specific Safety Plan	12/13/2016	01/30/17	**Approved**
5- SWPPP				
5	SWPPP	12/20/2016	02/14/17	**Verbal approval**
6- Construction Phase/ Traffic Control Plan				
6	Airfield Construction Area Control - Haul Route Layout	1/13/2017	1/17/2017	**Approved**
7- OCIP Enrollment				
7	OCIP Enrollment		12/28/2016	**Approved**
8- CPM				
8	CPM	1/6/2017	02/10/17	**Approved**
9- Badging				
9	Badging	12/20/2016	02/15/17	**Approved**
10- TSA AOA Fencing Notification				
10	TSA AOA Fencing notification		12/13/16	**Approved**

Attachment A

Sam Katbi

From: Sarles Mark <msarles@san.org>
Sent: Thursday, February 16, 2017 1:53 PM
To: Nizar Tibi
Cc: Sam Katbi; Jovanovic Tom; Rigo Ted; Reyna Nicole
Subject: FW: CIP 104129 - Clear OFA Twy B - Badges
Attachments: Badges.pdf

Nezar,
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Mark V. Sarles, PE, CCM, LEED AP
Construction Manager | Facilities Development Department
AB Engineering, Inc.
T 619.400.2480 | M 760.505.0986
msarles@san.org

www.san.org |
San Diego County Regional Airport Authority, PO BOX 82776, San Diego, CA 92138

[Sarles Mark]
From: ACO Customer Service
Sent: Thursday, February 16, 2017 10:23 AM

All:

All badges under Future DBI have now been deactivated. For those badges that are not in possession of the ACO, they have been placed on the Stop List.

In regards to retrieving the badges, all employees who attend training are notified of the requirement to return badges as soon as they do not have an operational justification to have them. Once a month, the ACO will send a notice to all companies with outstanding (not returned/unpaid) that they must pay $75 for every badge that is not returned.

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- Sergio Reyes Mendoza 0078750
- Joel Sanchez 0078761
- Zachary Schulz 0078742
- James Seitz 0078739
- Antonio Vasquez 0078807
- Nicholas Williams 0078749

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- Michael Ellis 0078706
- Brandon Ensley 0078751
- John Montville 0078703
- Mohamad Tibi 0078808
- Antonio Vazquez 0078861
- Robert Williamson 0078708

Regards,

ACCESS CONTROL OFFICE
San Diego County Regional Airport Authority
P.O. Box 82776, San Diego, CA 92138-2776
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SAN DIEGO INTERNATIONAL AIRPORT

[Sarles Mark] Inserted from subsequent e-mail:
From: ACO Customer Service
Sent: Thursday, February 16, 2017 10:40 AM

The ACO is in possession of Brian Perez's badge. He will not appear on the Stop List.

Regards,

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San Diego County Regional Airport Authority
P.O. Box 82776, San Diego, CA 92138-2776
P: 619.400.2765 | F: 619.400.7227 | Email: acocustomerservice@san.org
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Attachment A

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	Site-Specific Safety Plan	12/13/2016	01/30/17	**Approved**
	OSHA 300 Logs for the preceding 3 years	12/21/2016	12/27/2016	**Approved**
	Cal/OSHA and Fed/OSHA Inspection and Violatio Reports for the preceding 5 years	12/21/2016	12/27/2016	**Approved as noted**
	Job Hazard Analysis	1/17/2017	2/9/2017	**Approved**
	Names of "Competent Person"	12/21/2016	01/13/17	**Approved**
	Safety Data Sheet	12/21/2016	01/30/17	**Approved**
	Traffic Revision Plan	12/28/2016	2/15/2017	**Request correction for minor agreed one revision disapproved**
	Site Safety Representative	12/21/16	01/12/17	**Approved**

Attachment A

3- Long Lead Items Submittals Submitted				
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	Diesel Engine Generators - System Schematid Diagram	1/17/2017	1/23/2017	**Approved**
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	Exterior Lighting - Product Data	01/17/17		**In Review**
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	Chain Link Fence and Gates - Product Data	1/6/2017	1/12/2017	**Approved as noted**
	AOA Vehicle Speed Gate - Shop Drawings	2/10/2017	2/13/2017	**Approved as noted**
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Attachment A

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	Steel Joist Framing - Manufacturer's Qualification Statement	02/07/17	02/13/17	**Approved**
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4	General Injury and Illness Prevention Plan	12/20/2016	01/13/17	**Approved**
	Site-Specific Safety Plan	12/13/2016	01/30/17	**Approved**
5- SWPPP				
5	SWPPP	12/20/2016	02/14/17	**Verbal approval**
6- Construction Phase/ Traffic Control Plan				
6	Airfield Construction Area Control - Haul Route Layout	1/13/2017	1/17/2017	**Approved**
7- OCIP Enrollment				
7	OCIP Enrollment		12/28/2016	**Approved**
8- CPM				
8	CPM	1/6/2017	02/08/17	**Approved**
9- Badging				
9	Badging	12/20/2016	02/15/17	**Approved**
10- TSA AOA Fencing Notification				
10	TSA AOA Fencing notification		12/13/16	**Approved**

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/04/2017

Submittal # 01

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	1D-09.C	Procurement Log and Long Lead Items

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

☐ APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

X APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Mark V. Sarles 01/10/17

General content approved. Subsequent updates must include dates from the baseline CPM schedule.

The Procurement Log should identify material items to ensure the technical submittals are approved and materials procured in a timely manner to meet the construction schedule.

Listings by overall Division number or that do not include such materials does not add value and should be revised or deleted.

Similarly, an unmanageable listing of readily available smaller items is of little value, not likely to be updated, and could be consolidated.

Additional notes are included throughout this document.

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/06/2017

Submittal # 26-R1

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	APPX.4-1.04.B.1	General Injury and Illness Prevention Plan

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

I have made some minor comments regarding those paragraphs that refer to Airport requirements. Remember to change those paragraphs for future work on other contracts. Otherwise, this IIPP is fully approved and very much improved.
G. Couture, MS-OSH, COSS

X APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2017.01.13 15:13:23 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/24/2017

Submittal # 38-R5

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	Appendix 4 - Site Health and Safety Program - 1.04.B.2	Site-Specific Safety Plan

O FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

X RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

X APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2017.01.30 07:45:24 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Transmittal #:006

Date:

12/21/2016

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO,104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	APPX 4-1.04.B.3	OSHA 300 Logs for the preceding 3 years

O FOR APPROVAL

O FOR REVIEW AND COMMENT

X AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

The above was received by:

NAME:	
POSITION	X APPROVED ☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED
DATE	☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
Gary Couture
2016.12.27 10:37:30 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Transmittal #:007

Date:

12/21/2016

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO,104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	APPX 4-1.04.B.4	CAL/OSHA and Fed/OSHA Inspection and Violation Reports for the preceding 5 years.

O FOR APPROVAL

O FOR REVIEW AND COMMENT

X AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

The above was received by:

NAME:			
POSITION		☐ APPROVED	☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED
DATE		X APPROVED WITH CORRECTIONS NOTED	

Appendix 4 to the contract states, "In the event the Contractor has not had any violations, the Contractor shall submit a letter confirming that there have been no violations." While this submittal does not specifically comply with that specification, it shall be accepted as a suitable substitute.

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2016.12.27 10:11:36 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/13/2017

Submittal # 42-R4

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	APPX.4-1.04.B.6	Name of Competent Person-Resume

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

Mr. Huddleston is approved as Competent Person for the following operations: Fall Protection, Permit-required Confined Space Entry, Excavation, Trenching & Shoring, Scaffolding, Powered Industrial Trucks (Forklifts), CPR/First Aid/AED. He is also approved as the Site Safety Representative. Any other operation requiring a designated Competent Person must be assigned and approved prior to the start of that operation.
G. Couture, MS-OSH, COSS

X APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2017.01.17 07:56:54 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/24/2017

Submittal # 43-R2

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	Appendix 4 - Site Health and Safety Program - 1.04.B.7	Safety Data Sheet

O FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

X RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

These Safety Data Sheets are approved for use. This submittal line item will remain open for the duration of the project to allow for additional SDS submittals as the project progresses.
Please note specific precautions on various SDS's submitted:
The Carboguard VOC products require respiratory protection and eye wash.
The Weld-On DUIT 413 specifies respiratory protection or ventilation if used indoors. They also require eye wash facilities.
All f the Ennis-Flint paint SDS require eye wash stations and showers, chemical resistant gloves.

X APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2017.01.30 08:35:19 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC

Transmittal Form

Submittal # 44 - R2

Date: 2/10/2017

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "**CLEAR OFA TAXIWAY B**" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE : O Dropbox X Emailing O Delivering

The Following:

QTY	SPEC NO.	DESCRIPTION
1	APPX.4-1.04.B.8	Traffic Revision Plan for PHASE I

O FOR APPROVAL
X RE-SUBMITTAL FOR APPROVAL
O FOR REVIEW AND COMMENT
O RETURN (2) CORRECTED PRINTS
O AS REQUESTED
O FOR YOUR USE

☐ APPROVED

☒ DISAPPROVED - REVISED & RESUBMIT AS NOTED

☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Mark V. Sarles

This submittal has been reviewed with the understanding that it only applies to Phase I.

Drawing Sheet T-009, Phasing Plan - Phase I, shows the Phase I work areas and summarizes the Phase I work items. An annotated copy of this sheet has been included with these comments.

As discussed 02/14/17, two work areas in this phase where work will impact Airport traffic are in the vicinity of Gate P-18 and the entrance to the employee parking lot. Neither of these areas appear on the Phase 1 Traffic Revision Plan exhibit submitted. Traffic revision and control in these areas must be addressed.

Attachment A

FUTURE DB
INTERNATIONAL INC.

Transmittal Form

Date:

01/11/2017

Submittal # 45-R3

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	APPEX 4-1.06	Site Safety Representative

O FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

X RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

Tentative approval pending the submittal of certification for OSHA 30 Construction Safety course (OSHA 510) and training certificates for Competent Person in Scaffolding, Excavation & Trenching, Confined Space, Fall Protection. Will give final approval after submission of above.
G. Couture,MS-OSH, COSS

☐ APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

X APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2017.01.12 15:42:26 -08'00'

Attachment A

FUTURE DB
INTERNATIONAL INC.

Transmittal Form

Date:

01/17/2017

Submittal # 244

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail: ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	26 32 13-1.5.A	Diesel Engine-Generators-Shop Drawing

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

☒ NO EXCEPTIONS TAKEN
☐ MAKE CORRECTIONS NOTED
☐ REJECTED (SEE COMMENTS)
☐ REVISE AND RESUBMIT
☐ SUBMIT SPECIFIED ITEM
☐ RESUBMITTAL NOT REQUIRED

Checking is only for general conformance with the design concept of the project and general compliance with the information given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for: Dimensions, which shall be confirmed and correlated at the job site; fabrication processes and techniques of construction; coordination of his work with that of all other trades; and the satisfactory performance of his work

PBS ENGINEERS

Tamam Al Esedi
2017.01.23
11:07:47 -08'00'

☐ VERIFY ALL QUANTITIES

☐ REVIEW INDIVIDUAL SHEETS FOR COMMENTS

☐ WHERE NO COMMENTS ARE MADE, NO EXCEPTION IS TAKEN

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/17/2017

Submittal # 245

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	26 32 13-1.5.B	Diesel Engine-Generators-System Schematic Diagram

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

☒ NO EXCEPTIONS TAKEN
☐ MAKE CORRECTIONS NOTED
☐ REJECTED (SEE COMMENTS)
☐ REVISE AND RESUBMIT
☐ SUBMIT SPECIFIED ITEM
☐ RESUBMITTAL NOT REQUIRED

Checking is only for general conformance with the design concept of the project and general compliance with the information given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for: Dimensions, which shall be confirmed and correlated at the job site; fabrication processes and techniques of construction; coordination of his work with that of all other trades; and the satisfactory performance of his work

PBS ENGINEERS

Tamam Al Esedi
2017.01.23 11:09:40
-08'00'

☐ VERIFY ALL QUANTITIES

☐ REVIEW INDIVIDUAL SHEETS FOR COMMENTS

☐ WHERE NO COMMENTS ARE MADE, NO EXCEPTION IS TAKEN

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/17/2017

Submittal # 246

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	26 32 13-1.5.C	Diesel Engine-Generators-Installation Fact Sheet

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

- [x] NO EXCEPTIONS TAKEN
- [ ] REJECTED (SEE COMMENTS)
- [ ] SUBMIT SPECIFIED ITEM
- [ ] MAKE CORRECTIONS NOTED
- [ ] REVISE AND RESUBMIT
- [ ] RESUBMITTAL NOT REQUIRED

Checking is only for general conformance with the design concept of the project and general compliance with the information given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for: Dimensions, which shall be confirmed and correlated at the job site; fabrication processes and techniques of construction; coordination of his work with that of all other trades; and the satisfactory performance of his work

PBS ENGINEERS

Tamam Al Esedi
2017.01.23 11:10:46
-08'00'

- [ ] VERIFY ALL QUANTITIES
- [ ] REVIEW INDIVIDUAL SHEETS FOR COMMENTS
- [ ] WHERE NO COMMENTS ARE MADE, NO EXCEPTION IS TAKEN

Attachment A

FUTURE DB
INTERNATIONAL INC.

Transmittal Form

Date:

01/17/2017

Submittal # 247

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	26 32 13-1.5.D	Diesel Engine-Generators-Torsional Vibration Analysis

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

☒ NO EXCEPTIONS TAKEN
☐ MAKE CORRECTIONS NOTED
☐ REJECTED (SEE COMMENTS)
☐ REVISE AND RESUBMIT
☐ SUBMIT SPECIFIED ITEM
☐ RESUBMITTAL NOT REQUIRED

Checking is only for general conformance with the design concept of the project and general compliance with the information given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for: Dimensions, which shall be confirmed and correlated at the job site; fabrication processes and techniques of construction; coordination of his work with that of all other trades; and the satisfactory performance of his work

PBS ENGINEERS

Tamam Al Esedi
2017.01.23 11:11:37
-08'00'

☐ VERIFY ALL QUANTITIES

☐ REVIEW INDIVIDUAL SHEETS FOR COMMENTS

☐ WHERE NO COMMENTS ARE MADE, NO EXCEPTION IS TAKEN

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/17/2017

Submittal # 252

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	26 32 23-1.4.A	Automatic Transfer Switches-Product data

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

☒ NO EXCEPTIONS TAKEN
☐ MAKE CORRECTIONS NOTED
☐ REJECTED (SEE COMMENTS)
☐ REVISE AND RESUBMIT
☐ SUBMIT SPECIFIED ITEM
☐ RESUBMITTAL NOT REQUIRED

Checking is only for general conformance with the design concept of the project and general compliance with the information given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for: Dimensions, which shall be confirmed and correlated at the job site; fabrication processes and techniques of construction; coordination of his work with that of all other trades; and the satisfactory performance of his work

PBS ENGINEERS

Tamam Al Esedi
2017.01.23
11:14:28 -08'00'

☐ VERIFY ALL QUANTITIES
☐ REVIEW INDIVIDUAL SHEETS FOR COMMENTS
☐ WHERE NO COMMENTS ARE MADE, NO EXCEPTION IS TAKEN

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/17/2017

Submittal # 257

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail: ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	26 56 00-1.3.B	Exterior Lighting- Product data

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

PBS Engineers Review:
1. Contractor shall ensure the lighting performance of the submitted light fixtures meets or exceeds the fixtures included within the design.
2. Contractor shall provide a 20' pole height to match a similar installation of the existing gate lighting. Coordinate with the Airport Authority for final approval and location of the pole.
3. Wind load factor for lighting pole shall be considered and provide appropriate for San Diego Airport.
4. Contractor to submit samples for bird spikes as noted in spec. section 26 56 00.

☐ NO EXCEPTIONS TAKEN
☒ MAKE CORRECTIONS NOTED
☐ REJECTED (SEE COMMENTS)
☒ REVISE AND RESUBMIT
☐ SUBMIT SPECIFIED ITEM
☐ RESUBMITTAL NOT REQUIRED

Checking is only for general conformance with the design concept of the project and general compliance with the information given in the contract documents. Any action shown is subject to the requirements of the plans and specifications. Contractor is responsible for: Dimensions, which shall be confirmed and correlated at the job site; fabrication processes and techniques of construction; coordination of his work with that of all other trades; and the satisfactory performance of his work.

PBS ENGINEERS

Tamam Al Esedi
2017.01.23 14:07:09
-08'00'

☐ VERIFY ALL QUANTITIES

☐ REVIEW INDIVIDUAL SHEETS FOR COMMENTS

☐ WHERE NO COMMENTS ARE MADE, NO EXCEPTION IS TAKEN

Attachment A

FUTURE DB
INTERNATIONAL INC

Transmittal Form

Submittal # 257-R1

Date: 2/15/2017

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "**CLEAR OFA TAXIWAY B**" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE : O Dropbox X Emailing O Delivering

The Following:

QTY	SPEC NO.	DESCRIPTION
1	26 56 00-1.3.B	EXTERIOR LIGHTING - PRODUCT DATA

O FOR APPROVAL

X RE-SUBMITTAL FOR APPROVAL

O FOR REVIEW AND COMMENT

O RETURN (2) CORRECTED PRINTS

O AS REQUESTED

O FOR YOUR USE

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/06/2017

Submittal # 326

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	32 31 13-1.3A	Chain Link Fence and Gate-SD

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

ATKINS

APPROVED ☐
APPROVED AS NOTED ☒
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: [signature] DATE: 1/12/17

NOTE: Include fence sign detail in future signs submittal.

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/06/2017

Submittal # 327

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail: ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	32 31 13-1.3B	Chain Link Fence and Gate-Product data

X FOR APPROVAL
O FOR REVIEW AND COMMENT
O AS REQUESTED
O RE-SUBMITTAL FOR APPROVAL
O RETURN (2) CORRECTED PRINTS
O FOR YOUR USE

ATKINS

APPROVED ☐
APPROVED AS NOTED ☒
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: [signature] DATE: 1/12/17

Note: Duplicate submittal

Attachment A

FUTURE DB INTERNATIONAL INC

Transmittal Form

Submittal # 328

Date: 2/10/2017

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "**CLEAR OFA TAXIWAY B**" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE : O Dropbox X Emailing O Delivering

The Following:

QTY	SPEC NO.	DESCRIPTION
1	32 31 75-1.3.B	AOA Vehicle Speed Gate - Shop Drawings

X FOR APPROVAL
O FOR REVIEW AND COMMENT
O AS REQUESTED
O RE-SUBMITTAL FOR APPROVAL
O RETURN (2) CORRECTED PRINTS
O FOR YOUR USE

ATKINS

APPROVED ☐
APPROVED AS NOTED ☒
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: [signature] DATE: 2/13/2017

Gate shall be 10' high as noted in the plans and specifications. It appears that was the intent of the 120" clear height shown on the shop drawings, but the dimension is shifted from where it should be as it should be from grade to the top of the gate. Gate finish shall be hot dip galvanized as noted in Section 2.4.A.1 of the specification. Razor concertina wire is not shown, but needs to be included.

Attachment A

FUTURE DB INTERNATIONAL INC

Transmittal Form

Submittal # 331

Date: 2/9/2017

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "**CLEAR OFA TAXIWAY B**" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE : O Dropbox X Emailing O Delivering

The Following:

QTY	SPEC NO.	DESCRIPTION
1	32 39 13-1.2.B	Hydraulic Bollard System - Plans and Details

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

ATKINS

APPROVED ☐
APPROVED AS NOTED ☒
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: [signature] DATE: 2/13/2017

Bollard units and HPU approved. Bollards shall be 10" as noted in plans and specifications. Product list included notes 10", but drawing shows 12". Bollards shall also have white reflective stripes as noted in the plans and specifications. Product list notes 10 bollard units and 2 HPU's. Need to ensure that spare parts are included as noted in Section 2.9.A of the specification. Also need to include weather resistant enclosures for the HPU's as noted in the plans and specifications. Need to submit drawings that show the entire apparatus, including the drain lines, conduit runs, and reinforced concrete as noted in Section 1.2 of the specification.

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/17/2017

Submittal # 127

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	13 34 23-1.3.B1	Fabricated Structure (Guard Post)- Shop Drawing

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

ATKINS

APPROVED ☐
APPROVED AS NOTED ☒
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: [signature] DATE: 1-24-2017

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/19/2017

Submittal # 092

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail: ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	052100-1.03.A	Steel Joist Framing - Shop Drawings

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

Attachment A

Description: Steel Joist Framing - Shop Drawings

Spec number: 052100-1.03.A

ATKINS

APPROVED ☐
APPROVED AS NOTED ☑
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: C. Joseph DATE: 2/2/17

Attachment A

FUTURE DB INTERNATIONAL INC

Transmittal Form

Submittal #	94	Date: 2/7/2017

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "**CLEAR OFA TAXIWAY B**" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE : O Dropbox X Emailing O Delivering

The Following:

QTY	SPEC NO.	DESCRIPTION
1	05 21 00-1.03.C	STEEL JOIST FRAMING - MANUFACTURER`S QUALIFICATION STATEMENT

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

ATKINS

APPROVED ☑
APPROVED AS NOTED ☐
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: C. Joseph DATE: 2/13/17

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/19/2017

Submittal # 095

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	053100-1.03.A	Steel Decking - Shop Drawings

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

Attachment A

Description: Steel Decking - Shop Drawings

Spec Number: 053100-1.03.A

ATKINS

APPROVED ☐
APPROVED AS NOTED ☒
REVISE AND RESUBMIT ☐

CHECKING IS ONLY FOR CONFORMANCE WITH DESIGN CONCEPT OF PROJECT AND COMPLIANCE WITH INFORMATION GIVEN IN THE CONTRACT DOCUMENTS. CONTRACTOR IS RESPONSIBLE FOR DIMENSIONS TO BE CONFIRMED AND CORRELATED AT THE JOB SITE, FOR INFORMATION THAT PERTAINS SOLELY TO FABRICATION PROCESSES, OR TECHNIQUES OF CONSTRUCTION AND FOR COORDINATION OF WORK FOR ALL TRADES.

BY: C. Joseph DATE: 2/2/17

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/06/2017

Submittal # 26-R1

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	APPX.4-1.04.B.1	General Injury and Illness Prevention Plan

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

I have made some minor comments regarding those paragraphs that refer to Airport requirements. Remember to change those paragraphs for future work on other contracts. Otherwise, this IIPP is fully approved and very much improved.
G. Couture, MS-OSH, COSS

X APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2017.01.13 15:13:23 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/24/2017

Submittal # 38-R5

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	Appendix 4 - Site Health and Safety Program - 1.04.B.2	Site-Specific Safety Plan

O FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

X RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

X APPROVED

☐ DISAPPROVED - REVISED & RESUBMIT AS NOTED

☐ APPROVED WITH CORRECTIONS NOTED

APPROVAL ACTION DOES NOT SUPERSEDE REQUIREMENTS OF THE DRAWINGS AND SPECIFICATIONS. CONTRACTOR IS RESPONSIBLE FOR CORRELATING AND CONFIRMING DIMENSIONS AT THE JOBSITE, CHOICE OF FABRICATION PROCESSES AND TECHNIQUES OF CONSTRUCTION, AND COORDINATION OF HIS WORK WITH THAT OF OTHER TRADES.

FACILITIES DEVELOPMENT DEPARTMENT

Gary Couture
2017.01.30 07:45:24 -08'00'

Attachment A

FUTURE DB INTERNATIONAL INC

Transmittal Form

Submittal # 25-R3

Date: 2/10/2017

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "**CLEAR OFA TAXIWAY B**" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE : O Dropbox X Emailing O Delivering

The Following:

QTY	SPEC NO.	DESCRIPTION
1	1D-34/35	SWPPP

O FOR APPROVAL X RE-SUBMITTAL FOR APPROVAL

O FOR REVIEW AND COMMENT O RETURN (2) CORRECTED PRINTS

O AS REQUESTED O FOR YOUR USE

Attachment A

FUTURE DB INTERNATIONAL INC.

Transmittal Form

Date:

01/13/2017

Submittal # 050

FUTURE DB 8707 RESEARCH DR IRVINE, CA 92618 Office: 949-390-2111 Fax: 949-732-4355 Contact: Nizar Tibi Contractor Job#: CON 11108 E-mail:ntibi@futuredbi.com	REGARDING JOB SITE: "CLEAR OFA TAXIWAY B" PROJECT CIP NO, 104129 SAN DIEGO INTERNATIONAL AIRPORT 3225 N Harbor Dr, San Diego, CA 92101

WE ARE O DROP BOX X EMAILING O DELIVERING THE FOLLOWING:

QTY	SPEC NO.	DESCRIPTION
1	01 55 01-3.1.A	Airfield Construction Area Control-Haul Route Layout

X FOR APPROVAL

O FOR REVIEW AND COMMENT

O AS REQUESTED

O RE-SUBMITTAL FOR APPROVAL

O RETURN (2) CORRECTED PRINTS

O FOR YOUR USE

ATKINS

APPROVED ☒
APPROVED AS NOTED ☐
REVISE AND RESUBMIT ☐

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BY: [signature] DATE: 1/17/17

Attachment A

FUTURE DB INTERNATIONAL

Hasaneddin Boura <hboura@futuredbi.com>

Fwd: PMWeb Return: Submittal Items 371 - 104129-Clear OFA TAXIWAY B - Job Hazard Analysis

Nizar Tibi <ntibi@futuredbi.com> Thu, Feb 9, 2017 at 12:24 PM
To: Hasaneddin Boura <hboura@futuredbi.com>

---------- Forwarded message ----------
From: **Gary Couture** <workflowalerts@san.org>
Date: Thu, Feb 9, 2017 at 12:02 PM
Subject: PMWeb Return: Submittal Items 371 - 104129-Clear OFA TAXIWAY B - Job Hazard Analysis
To: ntibi@futuredbi.com

Submittal Items #371

Project #: 104129 - Project Name: 104129-Clear OFA TAXIWAY B

A Document has been RETURNED to you for review/approval by Gary Couture.

Workflow Document Information:

- **Document Type & No.:** Submittal Items #371
- **Document Description:** Job Hazard Analysis
- **Action Date:** 02/09/2017
- **Due Date:** 02/14/2017
- **Comment from Previous Reviewer:** Approved with corrections noted: the Striping JHA needs to be revised to list more specific steps and hazards. These JHAs are for Phase 1 work only. This submittal line item will remain open for the duration of the project to allow for subsequent JHAs as the work proceeds through the phases.
- **Instructions:**

Document

Note: This email message was automatically generated. Replying to this message will automatically email the person responsible for the previous step in the approval/review process.

Attachment A

FUTURE DB

Hasaneddin Boura <hboura@futuredbi.com>

Fwd: FW: PMWeb Approval Request: Submittal Items 368 - 104129 - Baseline CPM Schedule

Nizar Tibi <ntibi@futuredbi.com> Thu, Feb 9, 2017 at 8:04 PM
To: Hasaneddin Boura <hboura@futuredbi.com>

---------- Forwarded message ----------
From: **Sarles Mark** <msarles@san.org>
Date: Thu, Feb 9, 2017 at 4:36 PM
Subject: FW: PMWeb Approval Request: Submittal Items 368 - 104129 - Baseline CPM Schedule
To: Nizar Tibi <ntibi@futuredbi.com>, James Navarra <jamesn@futuredbi.com>
Cc: Jovanovic Tom <tjovanov@san.org>, Mostakim Marwan <mmostaki@san.org>, Obtera Orland <oobtera@san.org>

Please forward the XER file for review.

Mark V. Sarles, PE, CCM, LEED AP

Construction Manager | Facilities Development Department

AB Engineering, Inc.

T 619.400.2480 | M 760.505.0986

msarles@san.org

www.san.org |

San Diego County Regional Airport Authority, PO BOX 82776, San Diego, CA 92138

From: PMSystems
Sent: Wednesday, February 08, 2017 7:54 AM
To: Obtera Orland; Sarles Mark
Subject: PMWeb Approval Request: Submittal Items 368 - 104129 - Baseline CPM Schedule

Submittal Items #368

Project #: 104129 Project Name: 104129-Clear OFA TAXIWAY B

Attachment A

A Document has been sent to you for REVIEW by Future DB International.

Workflow Document Information:

- **Document Type & No.:** Submittal Items #368
- **Document Description:** Baseline CPM Schedule
- **Action Date:** 02/08/2017
- **Due Date:** 02/18/2017
- **Comment from Previous Reviewer:**
- **Instructions:** • Click the "DOCUMENT" link to open the record • This will take you to the "Workflow" tab • Select the Details Tab • Evaluate for completeness and validity • Click "Save" • Select "Workflow" tab • If this is a section 1C or 1D submittal you are the "Final Approval" OTHERWISE • Select "Reviewed" or "Return" to continue routing this document • Click "Save" **Submittal has been routed to the PE and CM

Document

Note: This email message was automatically generated. Replying to this message will automatically email the person responsible for the previous step in the approval/review process.

Attachment A

FUTURE DB

Hasaneddin Boura <hboura@futuredbi.com>

Fwd: PMWeb Workflow was approved: Submittal Items DocumentNumber - 104129 - Site Safety Representative

Nizar Tibi <ntibi@futuredbi.com> Tue, Jan 17, 2017 at 8:58 AM
To: Hasaneddin Boura <hboura@futuredbi.com>

---------- Forwarded message ----------
From: **Gary Couture** <workflowalerts@san.org>
Date: Tue, Jan 17, 2017 at 7:42 AM
Subject: PMWeb Workflow was approved: Submittal Items DocumentNumber - 104129 - Site Safety Representative
To: fdddocumentcontrol@san.org, msarles@san.org, ntibi@futuredbi.com

Submittal Items #347

Project #: 104129 - Project Name: 104129 Clear OFA TAXIWAY B

A Document has been COMPLETED by Gary Couture.

Workflow Document Information:

- **Document Type & No.:** Submittal Items #347
- **Document Description:** Site Safety Representative
- **Action Date:** 01/17/2017
- **Due Date:**
- **Comment from Previous Reviewer:**
- **Instructions:**

Document

Note: This email message was automatically generated. Replying to this message will automatically email the person responsible for the previous step in the approval/review process.

Attachment A

FUTURE DB

Hasaneddin Boura <hboura@futuredbi.com>

Fwd: PMWeb Workflow was approved: Submittal Items DocumentNumber - 104129 - Steel Joist Framing - Manufacturers Qualification Statement

Nizar Tibi <ntibi@futuredbi.com> Tue, Feb 14, 2017 at 9:18 AM
To: Hasaneddin Boura <hboura@futuredbi.com>

---------- Forwarded message ----------
From: **Mark Sarles** <workflowalerts@san.org>
Date: Tue, Feb 14, 2017 at 9:14 AM
Subject: PMWeb Workflow was approved: Submittal Items DocumentNumber - 104129 - Steel Joist Framing - Manufacturers Qualification Statement
To: fdddocumentcontrol@san.org, msarles@san.org, ntibi@futuredbi.com

Submittal Items #94

Project # 104129 Project Name: 104129-Clear OFA TAXIWAY B

A Document has been COMPLETED by Mark Sarles.

Workflow Document Information:

- **Document Type & No.:** Submittal Items #94
- **Document Description:** Steel Joist Framing - Manufacturer's Qualification Statement
- **Action Date:** 02/14/2017
- **Due Date:**
- **Comment from Previous Reviewer:**
- **Instructions:**

Document

Note: This email message was automatically generated. Replying to this message will automatically email the person responsible for the previous step in the approval/review process.

Attachment A

FUTURE DB

Hasaneddin Boura <hboura@futuredbi.com>

Fwd: PMWeb Workflow was approved: Submittal Items DocumentNumber - 104129 - Steel Decking - Shop Drawings

Nizar Tibi <ntibi@futuredbi.com> Wed, Feb 8, 2017 at 6:35 PM
To: Hasaneddin Boura <hboura@futuredbi.com>

---------- Forwarded message ----------
From: **Mark Sarles** <workflowalerts@san.org>
Date: Wed, Feb 8, 2017 at 3:44 PM
Subject: PMWeb Workflow was approved: Submittal Items DocumentNumber - 104129 - Steel Decking - Shop Drawings
To: fdddocumentcontrol@san.org, msarles@san.org, ntibi@futuredbi.com

Submittal Items #95

Project #: 104129 Project Name: 104129 Clear OFA TAXIWAY B

A Document has been COMPLETED by Mark Sarles.

Workflow Document Information:

- **Document Type & No.:** Submittal Items #95
- **Document Description:** Steel Decking - Shop Drawings
- **Action Date:** 02/08/2017
- **Due Date:**
- **Comment from Previous Reviewer:**
- **Instructions:**

Document

Note: This email message was automatically generated. Replying to this message will automatically email the person responsible for the previous step in the approval/review process.

Bid Detail

Exhibit 4

Bid Detail

Project Title	**Clear OFA Taxiway B**
Invitation No.	410323FC
Bid Posting Date	May 3, 2017 9:19 AM (Pacific)
Project Stage	Bidding
Bid Due Date	June 2, 2017 2:00 PM (Pacific)
Response Format	Paper only
Project Type	Bid
Response Types	Line Item
Type of Award	Lump Sum
Categories	237000 - Heavy and Civil Engineering Construction 237310 - Highway, Street, and Bridge Construction 238110 - Poured Concrete Foundation and Structure Contractors 238120 - Structural Steel and Precast Concrete Contractors 238140 - Masonry Contractors 238160 - Roofing Contractors 238210 - Electrical Contractors and Other Wiring Installation Contractors 238220 - Plumbing, Heating, and Air-Conditioning Contractors 238320 - Painting and Wall Covering Contractors 238910 - Site Preparation Contractors 238990 - All Other Specialty Trade Contractors, Fencing Contractors 32199 - Manufactured (Mobile) Building
License Requirements	A
Preferences	
Restriction Type	None
Department	Procurement
Address	P.O. Box 82776, San Diego, California
County	San Diego
Bid Valid	
Liquidated Damages	
Estimated Bid Value	$5,762,468.50
Start/Delivery Date	
Project Duration	

Bid Bond Information

Bid	10.0%
Performance	100.0%
Payment	100.0%

Pre-Bid Meeting Information

Pre-Bid Meeting	Yes - Mandatory
Pre-Bid Meeting Date	May 10, 2017 10:00 AM (Pacific)
Pre-Bid Meeting Location	Attendance is Mandatory. This conference and on-site job walk is an opportunity for Bidders to ask questions regarding the Bid documents and the process. The conference will be held in the Boardroom Conference Room at 10:00 AM, on May 10, 2017. The conference room is located on the 3rd floor at 3225 North Harbor Drive, San Diego, CA. The on-site job walk will be held immediately after the pre-bid conference.

Online Q&A

Online Q&A	No

Contact Information

Contact Info	Erica Lopez elopez@san.org
Bids to	
Owner's Agent	

Bid Detail

Description

Scope of Services This project will clear objects from the Taxiway B OFA for unrestricted taxi by Group V aircraft. A new secured access gate and vehicle service road (VSR) will be constructed, including drainage structures, signage and marking. A new perimeter fence will be constructed or relocated as allowable and will include relocation of Gate P-18 and Rack Room 19.
Total project area is approximately 5.5 acres. However, the area of disturbed soil to be exposed is 2.85 acres.

Other Details Questions must be submitted via e-mail to Erica Lopez at elopez@san.org by 2:00 PM, on May 22, 2017. Questions received after that time and date will not be considered.

Notes

Local Programs & Policies See Bid Docs.

Special Notices

Line Items

Num		UOM	Qty	Unit Price	Ref
	Section 1				
1	NA				
		NA	1		

Sam Katbi

From: Estimating Department <estimating@futuredbi.com>
Sent: Wednesday, May 03, 2017 9:40 AM
To: Sam Katbi
Subject: Fwd: Bid Alert: Clear OFA Taxiway B

Estimating Department

[Future DB]

P: 949.390.2111
F: 949.732.4355
w: www.futuredbi.com

*"Design. Build. **Better**."*

---------- Forwarded message ----------
From: <CustomerCare@planetbids.com>
Date: Wed, May 3, 2017 at 9:24 AM
Subject: Bid Alert: Clear OFA Taxiway B
To: estimating@futuredbi.com

This is an automated email notification. Please do not reply.

Dear Future DBi:

A new bid request was posted by San Diego County Regional Airport Authority which meets your selected criteria.

Project Title: Clear OFA Taxiway B
Release Date: May 3, 2017 9:19 AM (Pacific)
Bid Due Date: June 2, 2017 2:00 PM (Pacific)

Please visit Clear OFA Taxiway B for further details!

Notified Categories:
237000 - Heavy and Civil Engineering Construction
237310 - Highway, Street, and Bridge Construction
238110 - Poured Concrete Foundation and Structure Contractors
238120 - Structural Steel and Precast Concrete Contractors

238140 - Masonry Contractors
238160 - Roofing Contractors
238210 - Electrical Contractors and Other Wiring Installation Contractors
238220 - Plumbing, Heating, and Air-Conditioning Contractors
238320 - Painting and Wall Covering Contractors
238910 - Site Preparation Contractors
238990 - All Other Specialty Trade Contractors, Fencing Contractors
32199 - Manufactured (Mobile) Building

Thank you,
San Diego County Regional Airport Authority

Find out how you can receive more bidding opportunities today!

Exhibit 4

Attachment A

FUTURE DB INTERNATIONAL INC.

February 20th, 2017

San Diego County Regional Airport Authority Board
P.O. Box 82776
San Diego, California 92138-2776

Subject: Notice of Claim - Civil Rights Violation and Discrimination by the San Diego County Regional Airport Authority and their Representatives

Dear Board Members,

The San Diego County Regional Airport Authority ("Authority") entered into a contract (Project no. 104129-Clear OFA Taxiway B at San Diego International Airport) with Future DB International, Inc. ("FDBI") on December 22, 2016, for the total amount of $ 4,775,162.11. The Contract Award was transmitted to FDBI on January 6, 2017, received on January 11, 2017, and signed by Ms. Thella F. Bowens on December 22, 2016. (See Exhibit 1). The contract includes provisions which state that "time is of the essence."

The Authority's representatives on the project are Mr. Ted Rigo, the Project Manager, and Mr. Mark Sarles, the Construction Manager of AB Engineering. I, Sam Katbi, am the owner of FDBI, am a Syrian-born, U.S. citizen, who immigrated to the United States forty years ago. FDBI's designated Project Manager on the airport project is Mr. Jim Navarra and the Assistant Project Manager is Mr. Nezar Tibi, a US citizen with Syrian roots.

The contract time as indicated in Article 8 of the contract starts with the Notice to Proceed ("NTP") and finishes with the Notice of Completion. The contract states that the contractor shall start the work on or before 14 days from the issuance of the NTP. (See Exhibit 2).

As per Article 1D of the Special Conditions, the contract duration is 301 days from the issuance of the NTP. (See Exhibit 3). The contract includes provisions for liquidated damages listed on page 1D-03B, along with several additional contractual milestone deadlines, starting with the NTP or the Contract Award. If any of these deadlines are missed, as per the contract, the general contractor will be assessed liquidated damages. (See Exhibit 4).

The first milestone involves administrative submittals starting from the Contract Award date, which is Jan 11, 2017. (See Exhibit 1). The duration for that milestone is 45 days. Therefore, the end date for the first milestone is February 25, 2017. Should FDBI fail to complete certain submittals by that date, liquidated damages of $3,400.00 will be assessed per the contract. No provision in the contract gives the Authority the right to terminate the contract if Milestone No. 1 is not met timely. That milestone was achieved on February 15, ten days ahead of schedule. (See

8707 Research Drive, Irvine, CA 92618 • Tel: 949-390-2111 • Fax: 949-732-4355

Exhibit 5). The administrative Milestone No. 1 time for completion is concurrent with the contract time of 301 days, not sequential as the Authority contends.

Milestone No. 2 should start with the NTP after the contract award as defined in the General Conditions. This milestone is to perform the site work, up to substantial completion, for the duration of 271 calendar days. Milestone No. 4 is an administrative closeout item for the duration of 20 working days (30 calendar days). The total contract time for both Milestone No. 2 and Milestone No. 4 is 301 days.

The contract award was received on January 11, 2017. However, the Authority has deliberately withheld the NTP for the contract without reason. Prior to receiving the Authority's executed contract on January 11, 2017, a Transmittal Letter for the contract package, dated November 17, 2016, and received by FDBI on November 28, 2016, was signed by Mr. Iraj Ghaemi, the Director of Facilities Development. (See Exhibit 6). The Transmittal subject was "Notice of Award." In that letter, Mr. Ghaemi enclosed the blank contract as well as the bond and insurance forms for FDBI's execution and return within 14 days per General Condition Article 4 "Award." FDBI completed the required contract documents and delivered them to the Authority on Dec 8, 2016, for their award of the contract and the issuance of the NTP. In the same contract package, FDBI completed two forms the Authority requested in their Nov 17, 2017 letter. The first is the Submittal Register Form 11, completed on Dec 6, 2016. The second is the Procurement Log Form 7, completed on Jan 4, 2017. (See Exhibit 7). In addition, FDBI started the process of obtaining badges for its staff on Dec 20, 2016, which was concluded per the Authority's letter. (See Exhibit 8).

On December 28, 2016, even prior to the receipt of the executed contract and the issuance of the NTP, FDBI received a "Letter of Concern" signed by Mr. Ted Rigo claiming the Authority is concerned about the limited progress on completion of Milestone No. 1 items, which is "endangering performance of the contract." Ted indicated the Authority's intention to assess Liquidated Damages of $3,400 per day after Jan 12, 2017. (See Exhibit 9). FDBI protested that action, requested a meeting to address the issue, and expressed its concern that it was being held under pressure for liquidated damages assessment prior to even the issuance of contract award or the NTP, which starts the contract time.

On Jan 11, 2017, the date of the contract award, the FDBI team met with Ted and his project team and we were told that the Authority will start assessing liquidated damages the very next day, without regard to the contract terms, beginning on Jan 12, 2017. The reason for this assessment is due to allegedly "incomplete" items on the Milestone No. 1 list. Mr. Rigo offered to meet individually with me after the meeting, When I proceeded to Ted's office after the meeting, he openly expressed a heightened concern about having Middle Eastern workers on the airport grounds.

The Authority, represented by its management, proceeded consistently and arbitrarily to stonewall FDBI's submittals to it while simultaneously piling on liquidated damages. The Authority's rejections have mostly been based on trivial grammatical and punctuation errors. On many occasions, the Authority has requested new corrections to a previously corrected submittal, making the final approval of a submittal a moving target. We believe that such conduct was a stalling technique done in bad faith. I have been working in this industry for more than 32 years and have never seen such obstructive behavior by a government agency at the start of a project. We believe that starting the assessment of the liquidated damages on January 12, 2017, one day after receiving our contract, put tremendous pressure on our staff and was purposefully done to spin our operation out of balance. However, FDBI maintained its commitment to complying with the contract terms.

FDBI has expressed on multiple occasion its objection to the liquidated damages assessment and the delay in granting the NTP. FDBI complained to upper management, specifically to Iraj Ghaemi, Michael Tilley, and Ted Rigo. On Jan 19, 2017, I had a phone conversation with Mr. Rigo to address the Authority's continuous harassment and rejection of our submittals. To my surprise, during this conversation, Mr. Rigo expressed dismay and objection towards employing a Middle Eastern staff on an airport project. Mr. Nezar Tibi, the Project Manager, was in my office and overheard the conversation on speaker phone. Mr. Tibi left my office extremely upset and stressed that he might be losing his job. I assured Mr. Tibi that Mr. Rigo's statement is an individual bias, and we will bring the issue before reasonable, responsive parties at the Authority for a remedy. (See Exhibit 10)

On January 24, 2017, Mr. Iraj Ghaemi, the Airport Facility Manager, called for a meeting. I had hoped that in this meeting, we would finally have an ear to listen to our grievance. During the meeting, however, upper management was not ashamed to tell us directly, several times, and I am paraphrasing: "What do you expect from us, having a staff of Middle Eastern employees on an airport job. We will be very frank with you, we are going to put you under a microscope, and everyone from Washington to the Third Floor here at this airport are having problems with this many Middle Easterners on the job. We offer you a way out of this contract, you can leave peacefully on your own and we will not impose the penalties, or you will be penalized until you satisfy our requests to the letter. We will not make it easy, you either comply with our demands or it will be a difficult job for you." My response to Ted, Michael, and Iraj, was that this project is rightfully ours, we will not be pushed out of it, and I will push my staff above and beyond the limits to meet project requirements and contractual obligations.

Due to the Authority's pressure, and in order to diffuse the situation, I assigned a new, American-born Project Manager, Mr. Jim Navarra, to the project on January 30, 2017. Mr. Navarra was asked to meet alone with Mr. Ghaemi, Ted, and the rest of the Authority's project management team. The first thing that Authority representative asked him was whether FDBI would withdraw from the job. The Authority's employees, once again, commented to him that "a lot of Middle Eastern people are working for FDBI." (See Exhibit 11).

FDBI has continued to take the abuse quietly, in order to continue prosecuting the job. FDBI is a union contractor and more than capable of relocating a fence and five hundred square foot utilities building. Our trusted project managers have been involved in the security of multiple airports around the nation.

FDBI has repeatedly requested that the NTP be issued in accordance with the contract in order to start the contract time. In his email, dated February 14, 2017, Mr. Rigo stated: "Sam, any costs you are incurring are at your own risk as you have not been issued a Notice to Proceed." (See Exhibit 12) Such a statement, from a project manager who was hired by the airport to implement the contract, after months of our good faith efforts to get this project off the ground, is absurd and a confirmation of management's bad faith and unfair dealings with FDBI. Article 8 mandates that the Authority will issue the contract NTP immediately after the award. Mr. Rigo has acted unfairly in his dealings with my company for the past three months. Mr. Rigo has made discriminatory comments about me and my staff and has created a hostile work environment for my employees. His behavior is unprofessional, shameful, un-constitutional, and un-American. Moreover, the Authority has refused to process any payments to our company hinging it to the issuance of the NTP, not even for bond and insurance, which were submitted back in November. Their actions, taken together, reflect a policy to chase us out of the job and make it difficult for FDBI to commence work.

Despite all the obstacles the Authority has manufactured and placed in our way, FDBI has completed all the administrative submittals required prior to the deadline of February 25, 2017. On February 14, 2017, FDBI had 25 badged staff and field members ready to work, 10 more had a scheduled training for final issuance of the number, although, Phase One only requires badging for two fence installers and an escort. I sent Ted a letter demanding the NTP and informed him that he is costing us a lot of money in holding our project hostage for three months without payment. Not only was his answer that he has no intention of following the contract terms, but on February 15, 2017, we received a "Letter of Termination" from Mr. Michael Tilley done in bad faith and for no apparent reason but the racist sentiments that Authority representatives have openly expressed about our staff. According to the Authority, the Notice of Termination was done "for convenience" and was signed by Thella F. Bowens, the President and CEO of San Diego Airport Authority.

We continue to express our concern that the contract has been unlawfully terminated in violation of the civil and constitutional rights of the company and its individual employees. We believe the decision to terminate us on the airport project is motivated by discriminatory animus towards the Middle Eastern ethnicity of FDBI employees. In numerous instances, to multiple agents of FDBI, representatives of the Authority have expressed a heightened concern that members of our staff, who were assigned to work on the airport project, are Middle Eastern. The ethnicity of certain members of our staff is irrelevant to our qualifications and our capacity to deliver on the Project. Evaluating our staff on the basis of ethnicity or nationality, and excluding us from participating in a public works project on this basis, is discriminatory and illegal. It appears that Authority representatives have not made up their minds about what pretextual basis they should use as a cover for discrimination to terminate Future DBI on the airport project. Despite our good faith efforts and eagerness to proceed with honoring our contractual obligations, we were informed in the termination letter that the Authority terminated the contract "out of convenience." (see Exhibit 13) In contrast, a letter from your General Counsel, Ms. Amy Gonzalez, (see Exhibit 14) informed us that the delay in issuing the NTP on the Project was caused by "Future DBI's failure to properly badge its workforce and make required submittals under the Contract," suggesting that the contract was not actually terminated out of convenience, but for a cause. This excuse is not supported by the evidence. In fact, the job records point to an opposite conclusion. FDBI has secured 25 badges, another 10 are ready to be issued, and all the submittals for Milestone No. 1 are approved. (See Exhibit 5). The confusion and lack of agreement on the basis for termination between various agents of the Authority suggests that there was no good reason to ever terminate Future DBI's airport contract with the Authority, and the termination was an act of willful bad faith.

We have been kept in the dark about who made the decision to terminate us and why. The Airport Facility Manager, in the presence of upper management staff, has stated in the January 24th meeting that decision makers from "Washington" up to the "third floor" of his building are are concerned about Middle Eastern workers on an airport job, as if ethnic background is in any way related or relevant to our capacity to successfully complete a public works construction project.

We hereby address you as a Board to honor your responsibilities under the U.S. Constitution to grant us due process and equal protection under the law, regardless of our race or ethnic background, and to investigate our allegations of discriminatory treatment by the Authority's project management on our job. Authority representatives have smeared us, have acted in bad faith, have given us a tremendously tough time getting to work, and have willfully breached the contract, despite the fact that we have repeatedly communicated to the Authority that our employees are law-abiding, U.S. citizens who are more than qualified to complete a fence relocation job.

We respectfully request that you review our allegations and arrange a Board Hearing in order for us to fairly bring our claims before the Board. We request that the Authority withdraws

8707 Research Drive, Irvine, CA 92618 • Tel: 949-390-2111 • Fax: 949-732-4355

Attachment A

FUTURE DB
INTERNATIONAL INC.

its termination and compensates us for all the damages and hardship its staff has imposed upon us. We request that the Authority reinstates us on the job and removes any obstructive management that has treated us in a discriminatory manner. We hope that the Authority will comply with our requests in order to truly honor the Authority's commitment to diversity and equal opportunity.

Sincerely,
Future DB International, Inc.

Sam Katbi
President

RESOLUTION NO. 2017-0057

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY REJECTING THE CLAIM OF FUTURE DB INTERNATIONAL, INC.

WHEREAS, on September 14, 2016, the Authority issued a Request for Bids for Project No. 104129 – Clear Object Free Area Taxiway B; and

WHEREAS, on November 17, 2016, the Board awarded a contract to Future DB International, Inc. in the amount of $4,775,162.11 for Project No. 104129; and

WHEREAS, the Contract allows the Authority to terminate the contract for convenience at any time; and

WHEREAS, on February 15, 2017, the Authority terminated the contract for convenience; and

WHEREAS, on May 15, 2017, Future DB International ("FDBI") filed a claim alleging that the Authority: "terminated the contract in bad faith and because of the discriminatory conduct against FDBI"; violated FDBI civil rights and those of its employees; and

WHEREAS, FDBI seeks damages in the amount of "$1,962,619.84 plus Interest, Penalties and attorney fees as allowed by the public contract code." FDBI claims that "civil rights, and violation of due process, interference and retaliation claims are not included in the above amount"; and

WHEREAS, at its regular meeting on July 6, 2017, the Board considered the claim filed by FDBI and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board rejects the claim of Future DB International, Inc.; and

BE IT FURTHER RESOLVED the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code § 21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code § 30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at its regular meeting this 6th day of July, 2017 by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
8

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Approve and Authorize the President/CEO to Execute a Reimbursable Agreement with the Department of Transportation Federal Aviation Administration (FAA)

Recommendation:

Adopt Resolution No. 2017-0058, approving and authorizing the President/CEO to execute a Reimbursable Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority, for a reimbursable amount not-to-exceed $200,000, for Navaid Equipment Relocation and Site Study at San Diego International Airport.

Background/Justification:

The proposed Northside Cargo Facilities will be located between the north side of Taxiway C and the Federal Aviation Administration (FAA) tower. FAA currently has Navaid equipment measuring the weather, located on the proposed Cargo Facility area (Attachment A). The Navaid equipment needs to be relocated to a new site on airport property to accommodate the new Cargo Facility project. Relocation of the Navaid equipment is a part of the Authority's Northside Cargo Development project. However, FAA will be required to perform certain services in support of this relocation, including but not limited to site evaluation, engineering evaluations and oversight, and final connections/terminations for the Navaid equipment. This Reimbursable Agreement enables the Authority to compensate the FAA for the actual cost of those required services in an amount not-to-exceed $200,000.

Fiscal Impact:

This Reimbursable Agreement will provide reimbursement up to $200,000 for Automated Surface Observing System (ASOS) Relocation & Site Study included in the Board approved FY2018-FY2023 Capital Program Budget within Project No. 104231, Northside Cargo Development. Source of funds for this project include Airport Cash.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☒ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This project is a class of project exempt from CEQA as follows: Categorical Exemption 15302 – Replacement or Reconstruction – Class 2 and consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to: (c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT


SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
ATTACHMENT A
EXISTING FAA TOWER
FAA WEATHER OBSERVATION EQUIPMENT AREA
NEW CARGO FACILITY
RCC
ADMIRAL BOLAND WAY
SASSAFRAS STREET
PACIFIC HIGHWAY
W. PALM STREET
TAXIWAY J
TWY H
TAXIWAY C
C6
C4
C3
C2
C1
RUNWAY 9-27
B7
B6
B5
B4
D
B1
TAXIWAY B
W. LAUREL STREET
STILLWATER RD
WINSHIIP LANE
NORTH HARBOR DRIVE
NORTH
NOT TO SCALE
SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO

RESOLUTION NO. 2017-0058

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A REIMBURSABLE AGREEMENT BETWEEN THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION (FAA) AND THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, FOR A REIMBURSABLE AMOUNT NOT-TO-EXCEED $200,000, FOR NAVAID EQUIPMENT RELOCATION AND SITE STUDY AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, the proposed Northside Cargo Facilities will be located between the north side of Taxiway C and the Federal Aviation Administration (FAA) tower; and

WHEREAS, FAA currently has Navaid equipment measuring the weather, located on the proposed Cargo Facility area; and

WHEREAS, the Navaid equipment needs to be relocated to a new site on airport property to accommodate the new Cargo Facility project; and

WHEREAS, relocation of the Navaid equipment is a part of the Authority’s Northside Cargo Development project; and

WHEREAS, FAA will be required to perform certain services in support of this relocation, including but not limited to site evaluation, engineering evaluations and oversight, and final connections/terminations for the Navaid equipment; and

WHEREAS, this Reimbursable Agreement enables the Authority to compensate the FAA for the actual cost of those required services in an amount not-to-exceed $200,000.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a Reimbursable Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority, for a reimbursable amount not-to-exceed $200,000, for Navaid Equipment Relocation and Site Study at San Diego International Airport; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action approves a project that is a class of project exempt from CEQA as follows: Categorical Exemption 15302 – Replacement or Reconstruction – Class 2 and consists of; replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to: (c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity; and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
9

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Approve and Authorize the President/CEO to Execute a First Amendment to the Agreement with Anderson & Kreiger

Recommendation:

Adopt Resolution No. 2017-0059, approving and authorizing the President/CEO to execute a First Amendment to the Agreement with Anderson & Kreiger LLP for Professional Legal Services increasing the compensation amount by $100,000 for a total not-to-exceed amount of $200,000.

Background/Justification:

On October 3, 2013, the Board awarded a professional legal services agreement to Anderson & Kreiger ("Law Firm") for a term of 3 years with 2 one-year options to renew and a not-to-exceed amount of $100,000. [Resolution No. 2013-0119]. On July 25, 2016, the Authority exercised the first of its one-year options to extend the Agreement term.

The Law Firm has assisted the General Counsel in federal regulatory matters as well as ongoing issues related to the Authority's fuel lease with the airline consortium and the airline operating and lease agreement. The General Counsel believes it is in the best interest of the Authority to continue to retain Law Firm to represent the Authority in these matters. This First Amendment would increase the compensation by $100,000 for a total not-to-exceed amount of $200,000.

Fiscal Impact:

Adequate funding for this agreement is included in the adopted FY 2018 and conceptually approved FY 2019 Operating Expense Budgets within the Contractual Services line item.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

Due to the urgent need to obtain the above-described legal and consulting services, no preferences were applied.

Prepared by:

AMY GONZALEZ
GENERAL COUNSEL

RESOLUTION NO. 2017-0059

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE AGREEMENT WITH ANDERSON & KREIGER LLP FOR PROFESSIONAL LEGAL SERVICES INCREASING THE COMPENSATION AMOUNT BY $100,000 FOR A TOTAL NOT TO EXCEED COMPENSATION AMOUNT OF $200,000

WHEREAS, on October 3, 2013, the Board awarded a legal services agreement to Anderson & Kreiger LLP ("Law Firm") for a term of 3 years with 2 one-year options to renew and a not-to-exceed amount of $100,000. [Resolution No. 2013-0119]; and

WHEREAS, on July 25, 2016, the Authority exercised the first of two one-year options to extend the term of the Agreement to expire no later than October 2, 2017; and

WHEREAS, Law Firm has assisted the General Counsel in federal regulatory matters as well as ongoing issues related to the Authority's fuel lease with the airline consortium and the airline operating and lease agreement; and

WHEREAS, the General Counsel believes it is in the best interest of the Authority to continue to retain Law Firm to represent the Authority in these matters.

NOW THERE FORE BE IT RESOLVED that the Board herby approves and authorizes the President/CEO to execute a First Amendment to the Agreement with Anderson & Kreiger LLP for Professional Legal Services increasing the compensation by $100,000 for a total not-to-exceed amount of $200,000; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this Board action is not a "project" as defined by the California Environmental Quality Control Act (CEQA) Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a Board meeting this 6th day of July 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____
TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

____
AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
10

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Award a Contract to G&G Specialty Contractors, Inc. for Quieter Home Program Phase 8, Group 12, Project No. 380812 (Eighty-four (84) Non-Historic Multi-Family Units on Seven (7) Residential Properties Located East and West of the Airport)

Recommendation:

Adopt Resolution No. 2017-0060, awarding a contract to G&G Specialty Contractors, Inc., in the amount of $1,319,742, for Phase 8, Group 12, Project No. 380812, of the San Diego County Regional Airport Authority's Quieter Home Program.

Background/Justification:

The San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program ("Program") provides sound attenuation treatment to residences within the highest noise-impacted neighborhoods surrounding San Diego International Airport ("SDIA"). This contract for Phase 8, Group 12, Project number 380812 includes installation of new acoustical windows, doors, and ventilation improvements to reduce aircraft-related noise levels and provide sound attenuation to eighty-four (84) non-historic multi-family units on seven (7) residential properties located east and west of the airport (refer to Attachment A).

To date, the Program has completed 3,453 residences, of which 827 are historic and 2,626 are non-historic. 2,174 residences are located west of SDIA and 1,279 are located east of SDIA.

Project No. 380812 was advertised on May 9, 2017, and bids were opened on June 8, 2017. The following bids were received (refer to Attachment B):

Company	Total Bid
G&G Specialty Contractors, Inc.	$1,319,742.00
S&L Specialty Construction, Inc.	$1,339,000.00
Karabuild Development, Inc.	$1,829,894.00

The Engineer's estimate is $1,339,846.

The low bid of $1,319,742, is considered responsive, and G&G Specialty Contractors, Inc. is considered responsible. Award to G&G Specialty Contractors, Inc. is, therefore, recommended in the amount of $1,319,742.

Fiscal Impact:

Adequate funds for the contract with G&G Specialty Contractors, Inc. are included in the adopted FY 2017 and FY 2018 Operating Expense Budgets with in the Quieter Home

Program budget line item. Sources of funding include Federal Airport Improvement. Program grants and Passenger Facility Charges.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy ☒ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA. This Board action is a “project” subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code §21065. The individual projects under the Quieter Home Program are part of a class of projects that are categorically exempt from CEQA: 14 Cal. Code Regs. §15301 – “Existing Facilities: Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of use beyond that existing at the time of the lead agency’s determination.”

B. California Coastal Act. This Board action is a “development” as defined by the California Coastal Act, Cal. Pub. Res. Code §30106. The individual projects under the Quieter Home Program will consist of treatments to single-family and multi-family dwellings. Improvements to single-family homes are exempt from coastal permit requirements under Cal. Pub. Res. Code §30610(a) and 14 Cal. Code Regs. §13250 – “Improvements to Single-Family Residences.” The proposed improvements to multi-family residences are exempt from coastal permit requirements under Cal. Pub. Res. Code §30610(b) and 14 Cal. Code Regs. §13253 – “Improvements to Structures Other than Single-Family Residences and Public Works Facilities that Require Permits.”

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

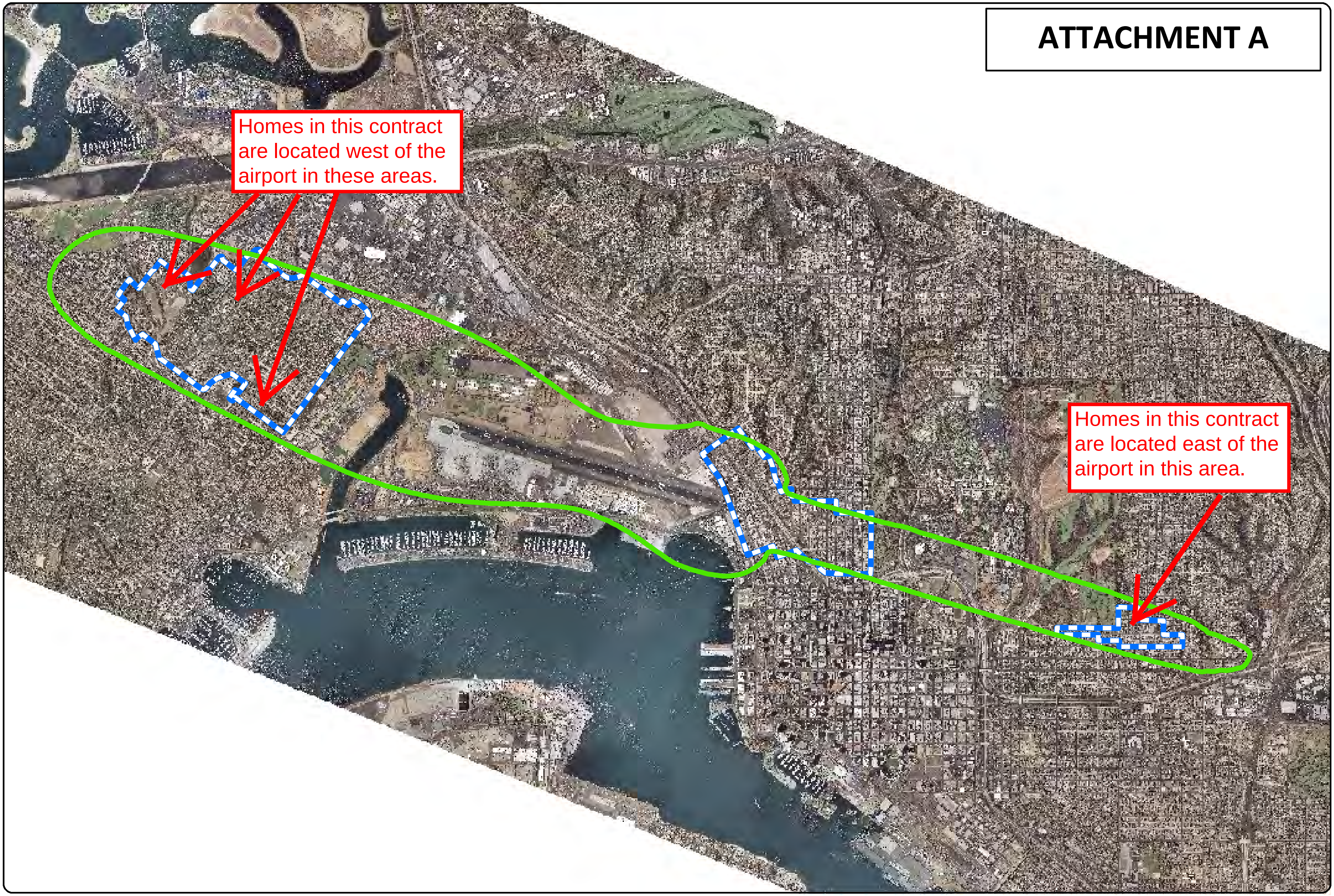
The Authority’s DBE Program, as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 26, calls for the Authority to submit a triennial overall goal for DBE participation on all federally funded projects. When federal funds are utilized, the Authority is prohibited from using a program that provides a preference such as those used in Policies 5.12 and 5.14. Therefore, the Authority must utilize other means as provided in the DBE Plan to achieve participation.

This project utilizes federal funds; therefore, it will be applied toward the Authority's overall DBE goal. G&G Specialty Contractors, Inc., proposed 3.73% DBE participation on QHP Phase 8, Group 12.

Prepared by:

JEFFREY WOODSON
VICE PRESIDENT, DEVELOPMENT

ATTACHMENT A



Map Notes:
Staff Report Attachment A

1 inch = 3,898 feet

Land Use - SanGIS 2/07

- Single-Family Residential
- Multi-Family Residential
- Condominiums
- QHP Completed
- QHP Ineligible
- County Parcel
- 67 dB Boundary
- 65 dB CNEL Contour
- a Address Point

San Diego County Regional Airport Authority
Quieter Home Program
Project 380812

Map ID:

8.5x11L - Print Date04.30.2013

PSOMAS

TABULATION OF BIDS

ATTACHMENT B

TITLE: QUIETER HOME PROGRAM PROJECT NO. 380812
BIDS OPENED: June 8, 2017 at 2:00 p.m.
ENGINEER'S ESTIMATE: $ 1,339,846

					G&G Specialty Contractors, Inc.				S&L Specialty Construction, Inc.				Karabuild Development			
CONTRACTOR:					**G&G Specialty Contractors, Inc.**				**S&L Specialty Construction, Inc.**				**Karabuild Development**			
ADDRESS:					**1221 N. Mondel Drive, Gilbert, AZ 85233**				**315 S. Franklin Street, Syracuse, NY 13202**				**17337 Ventura Blvd, Encino, CA, 91316**			
GUARANTEE OF GOOD FAITH:					**Hartford Casualty Insurance Company**				**Liberty Mutual Insurance Company**				**The Guarantee Company of North America**			
Res No.	Bid Item Number - Name/Address		Dwelling Units	Unit of Measure	General Construction (In Figures)	Ventilation Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	General Construction (In Figures)	Ventilation Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)	General Construction (In Figures)	Ventilation Construction (In Figures)	Electrical Construction (In Figures)	TOTAL (In Figures)
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 1	1	Lump Sum	16,850.00	3,074.00	850.00	20,774.00	19,000.00	3,000.00	1,000.00	23,000.00	23,412.00	4,000.00	850.00	28,262.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 2	1	Lump Sum	15,557.00	3,074.00	950.00	19,581.00	17,000.00	3,000.00	1,000.00	21,000.00	20,475.00	4,000.00	850.00	25,325.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 3	1	Lump Sum	16,877.00	3,074.00	850.00	20,801.00	19,000.00	3,000.00	1,000.00	23,000.00	23,662.00	4,000.00	850.00	28,512.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 4	1	Lump Sum	14,862.00	3,074.00	950.00	18,886.00	17,000.00	3,000.00	1,000.00	21,000.00	22,800.00	4,000.00	850.00	27,650.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 5	1	Lump Sum	14,919.00	3,074.00	950.00	18,943.00	17,000.00	3,000.00	1,000.00	21,000.00	23,000.00	4,000.00	950.00	27,950.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 6	1	Lump Sum	15,009.00	3,074.00	750.00	18,833.00	17,000.00	3,000.00	1,000.00	21,000.00	22,800.00	4,000.00	750.00	27,550.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 7	1	Lump Sum	13,057.00	3,074.00	750.00	16,881.00	14,000.00	3,000.00	1,000.00	18,000.00	21,362.00	4,000.00	750.00	26,112.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 8	1	Lump Sum	15,009.00	3,074.00	750.00	18,833.00	17,000.00	3,000.00	1,000.00	21,000.00	22,800.00	4,000.00	750.00	27,550.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 9	1	Lump Sum	15,595.00	3,074.00	750.00	19,419.00	17,000.00	3,000.00	1,000.00	21,000.00	23,200.00	4,000.00	750.00	27,950.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 10	1	Lump Sum	13,629.00	3,074.00	750.00	17,453.00	14,000.00	3,000.00	1,000.00	18,000.00	21,662.00	4,000.00	750.00	26,412.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 11	1	Lump Sum	12,993.00	3,074.00	750.00	16,817.00	14,000.00	3,000.00	1,000.00	18,000.00	21,457.00	4,000.00	750.00	26,207.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 12	1	Lump Sum	14,186.00	3,074.00	750.00	18,010.00	15,000.00	3,000.00	1,000.00	19,000.00	21,825.00	4,000.00	750.00	26,575.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 13	1	Lump Sum	17,739.00	3,074.00	750.00	21,563.00	20,000.00	3,000.00	1,000.00	24,000.00	24,660.00	4,000.00	750.00	29,410.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 14	1	Lump Sum	15,952.00	3,074.00	950.00	19,976.00	17,000.00	3,000.00	1,000.00	21,000.00	20,776.00	4,000.00	950.00	25,726.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 15	1	Lump Sum	16,565.00	3,074.00	750.00	20,389.00	20,000.00	3,000.00	1,000.00	24,000.00	23,412.00	4,000.00	750.00	28,162.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 16	1	Lump Sum	15,116.00	3,074.00	750.00	18,940.00	17,000.00	3,000.00	1,000.00	21,000.00	23,000.00	4,000.00	750.00	27,750.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 17	1	Lump Sum	14,170.00	3,074.00	750.00	17,994.00	17,000.00	3,000.00	1,000.00	21,000.00	22,595.00	4,000.00	750.00	27,345.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 18	1	Lump Sum	14,371.00	3,074.00	850.00	18,295.00	17,000.00	3,000.00	1,000.00	21,000.00	22,708.00	4,000.00	850.00	27,558.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 19	1	Lump Sum	14,570.00	3,074.00	950.00	18,594.00	17,000.00	3,000.00	1,000.00	21,000.00	22,648.00	4,000.00	850.00	27,498.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 20	1	Lump Sum	15,247.00	3,074.00	750.00	19,071.00	20,000.00	3,000.00	1,000.00	24,000.00	24,406.00	4,000.00	750.00	29,156.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 21	1	Lump Sum	13,252.00	3,074.00	750.00	17,076.00	15,000.00	3,000.00	1,000.00	19,000.00	21,862.00	4,000.00	750.00	26,612.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 22	1	Lump Sum	12,422.00	3,074.00	750.00	16,246.00	13,000.00	3,000.00	1,000.00	17,000.00	21,198.00	4,000.00	750.00	25,948.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 23	1	Lump Sum	13,107.00	3,074.00	750.00	16,931.00	15,000.00	3,000.00	1,000.00	19,000.00	21,133.00	4,000.00	750.00	25,883.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 24	1	Lump Sum	12,925.00	3,074.00	750.00	16,749.00	13,000.00	3,000.00	1,000.00	17,000.00	21,657.00	4,000.00	750.00	26,407.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 25	1	Lump Sum	16,091.00	3,074.00	950.00	20,115.00	19,000.00	3,000.00	1,000.00	23,000.00	23,601.00	4,000.00	850.00	28,451.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 26	1	Lump Sum	15,786.00	3,074.00	750.00	19,610.00	19,000.00	3,000.00	1,000.00	23,000.00	23,792.00	4,000.00	750.00	28,542.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 27	1	Lump Sum	12,461.00	3,074.00	950.00	16,485.00	14,000.00	3,000.00	1,000.00	18,000.00	21,657.00	4,000.00	850.00	26,507.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 28	1	Lump Sum	13,306.00	3,074.00	950.00	17,330.00	14,000.00	3,000.00	1,000.00	18,000.00	21,854.00	4,000.00	850.00	26,704.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 29	1	Lump Sum	13,853.00	3,074.00	750.00	17,677.00	15,000.00	3,000.00	1,000.00	19,000.00	19,625.00	4,000.00	750.00	24,375.00
380810.06	WORDEN LLC (WARNER)	2551 WORDEN STREET, UNIT 30	1	Lump Sum	9,465.00	3,074.00	750.00	13,289.00	9,000.00	3,000.00	1,000.00	13,000.00	16,270.00	4,000.00	750.00	21,020.00
380811.43	Volheim	2626 A ST	1	Lump Sum	11,724.00	3,074.00	950.00	15,748.00	12,000.00	3,000.00	1,000.00	16,000.00	19,586.00	4,000.00	950.00	24,536.00
380811.43	Volheim	2628 A ST	1	Lump Sum	16,358.00	3,074.00	950.00	20,382.00	14,000.00	3,000.00	1,000.00	18,000.00	21,336.00	4,000.00	950.00	26,286.00
380811.43	Volheim	2630 A ST	1	Lump Sum	14,230.00	3,074.00	950.00	18,254.00	14,000.00	3,000.00	1,000.00	18,000.00	16,041.00	4,000.00	950.00	20,991.00
380811.43	Volheim	2632 A ST	1	Lump Sum	18,847.00	3,074.00	950.00	22,871.00	20,000.00	3,000.00	1,000.00	24,000.00	20,106.00	4,000.00	950.00	25,056.00
380901.25	Rohen Investments	2210 CHATSWORTH BLVD	1	Lump Sum	18,659.00	3,074.00	1,250.00	22,983.00	22,000.00	3,000.00	1,000.00	26,000.00	25,861.00	4,000.00	1,050.00	30,911.00
380901.25	Rohen Investments	2212 CHATSWORTH BLVD	1	Lump Sum	18,913.00	3,074.00	1,250.00	23,237.00	20,000.00	3,000.00	1,000.00	24,000.00	19,871.00	4,000.00	950.00	24,821.00
380901.25	Rohen Investments	2214 CHATSWORTH BLVD	1	Lump Sum	17,832.00	3,074.00	950.00	21,856.00	19,000.00	3,000.00	1,000.00	23,000.00	19,871.00	4,000.00	950.00	24,821.00
380901.25	Rohen Investments	2216 CHATSWORTH BLVD	1	Lump Sum	18,290.00	3,074.00	1,250.00	22,614.00	22,000.00	3,000.00	1,000.00	26,000.00	25,221.00	4,000.00	1,150.00	30,371.00
380901.26	Rohen Investments	2218 CHATSWORTH BLVD	1	Lump Sum	18,406.00	3,074.00	1,350.00	22,830.00	22,000.00	3,000.00	1,000.00	26,000.00	25,342.00	4,000.00	1,150.00	30,492.00
380901.26	Rohen Investments	2220 CHATSWORTH BLVD	1	Lump Sum	18,542.00	3,074.00	1,150.00	22,766.00	19,000.00	3,000.00	1,000.00	23,000.00	20,471.00	4,000.00	950.00	25,421.00
380901.26	Rohen Investments	2222 CHATSWORTH BLVD	1	Lump Sum	18,583.00	3,074.00	950.00	22,607.00	19,000.00	3,000.00	1,000.00	23,000.00	21,911.00	4,000.00	950.00	26,861.00
380901.26	Rohen Investments	2224 CHATSWORTH BLVD	1	Lump Sum	18,670.00	3,074.00	1,250.00	22,994.00	22,000.00	3,000.00	1,000.00	26,000.00	26,021.00	4,000.00	1,050.00	31,071.00
380902.13	2827 A St. LLC (London)	2827 A ST 1	1	Lump Sum	11,727.00	0.00	0.00	11,727.00	8,000.00	0.00	0.00	8,000.00	12,836.00	0.00	0.00	12,836.00
380902.13	2827 A St. LLC (London)	2827 A ST 2	1	Lump Sum	9,571.00	0.00	0.00	9,571.00	7,000.00	0.00	0.00	7,000.00	12,561.00	0.00	0.00	12,561.00
380902.13	2827 A St. LLC (London)	2827 A ST 3	1	Lump Sum	7,698.00	0.00	0.00	7,698.00	5,000.00	0.00	0.00	5,000.00	11,490.00	0.00	0.00	11,490.00
380902.13	2827 A St. LLC (London)	2827 A ST 4	1	Lump Sum	8,597.00	0.00	0.00	8,597.00	7,000.00	0.00	0.00	7,000.00	11,640.00	0.00	0.00	11,640.00
380902.13	2827 A St. LLC (London)	2827 A ST 5	1	Lump Sum	7,698.00	0.00	0.00	7,698.00	5,000.00	0.00	0.00	5,000.00	11,490.00	0.00	0.00	11,490.00
380902.13	2827 A St. LLC (London)	2827 A ST 6	1	Lump Sum	9,903.00	0.00	0.00	9,903.00	8,000.00	0.00	0.00	8,000.00	12,840.00	0.00	0.00	12,840.00
380902.13	2827 A St. LLC (London)	2827 A ST 7	1	Lump Sum	7,874.00	0.00	0.00	7,874.00	5,000.00	0.00	0.00	5,000.00	11,656.00	0.00	0.00	11,656.00
380902.13	2827 A St. LLC (London)	2827 A ST 8	1	Lump Sum	7,874.00	0.00	0.00	7,874.00	5,000.00	0.00	0.00	5,000.00	11,569.00	0.00	0.00	11,569.00
380902.13	2827 A St. LLC (London)	2827 A ST 9	1	Lump Sum	8,602.00	0.00	0.00	8,602.00	6,000.00	0.00	0.00	6,000.00	11,653.00	0.00	0.00	11,653.00
380902.13	2827 A St. LLC (London)	2827 A ST 10	1	Lump Sum	8,597.00	0.00	0.00	8,597.00	6,000.00	0.00	0.00	6,000.00	11,573.00	0.00	0.00	11,573.00
380902.13	2827 A St. LLC (London)	2827 A ST 11	1	Lump Sum	7,667.00	0.00	0.00	7,667.00	5,000.00	0.00	0.00	5,000.00	11,423.00	0.00	0.00	11,423.00
380902.13	2827 A St. LLC (London)	2827 A ST 12	1	Lump Sum	9,571.00	0.00	0.00	9,571.00	7,000.00	0.00	0.00	7,000.00	12,561.00	0.00	0.00	12,561.00
380902.13	2827 A St. LLC (London)	2827 A ST 13	1	Lump Sum	9,571.00	0.00	0.00	9,571.00	7,000.00	0.00	0.00	7,000.00	12,836.00	0.00	0.00	12,836.00
380902.14	2827 A St. LLC (London)	2827 A ST 14	1	Lump Sum	9,571.00	0.00	0.00	9,571.00	7,000.00	0.00	0.00	7,000.00	12,836.00	0.00	0.00	12,836.00
380902.14	2827 A St. LLC (London)	2827 A ST 15	1	Lump Sum	8,485.00	0.00	0.00	8,485.00	6,000.00	0.00	0.00	6,000.00	11,908.00	0.00	0.00	11,908.00
380902.14	2827 A St. LLC (London)	2827 A ST 16	1	Lump Sum	8,485.00	0.00	0.00	8,485.00	6,000.00	0.00	0.00	6,000.00	11,908.00	0.00	0.00	11,908.00
380902.14	2827 A St. LLC (London)	2827 A ST 17	1	Lump Sum	9,571.00	0.00	0.00	9,571.00	7,000.00	0.00	0.00	7,000.00	12,561.00	0.00	0.00	12,561.00

380902.14	2827 A St. LLC (London)	2827 A ST 18	1	Lump Sum		7,698.00	0.00	0.00	7,698.00		5,000.00	0.00	0.00	5,000.00		11,503.00	0.00	0.00	11,503.00
380902.14	2827 A St. LLC (London)	2827 A ST 19	1	Lump Sum		9,934.00	0.00	0.00	9,934.00		8,000.00	0.00	0.00	8,000.00		12,839.00	0.00	0.00	12,839.00
380902.14	2827 A St. LLC (London)	2827 A ST 20	1	Lump Sum		8,363.00	0.00	0.00	8,363.00		6,000.00	0.00	0.00	6,000.00		11,985.00	0.00	0.00	11,985.00
380902.14	2827 A St. LLC (London)	2827 A ST 21	1	Lump Sum		8,617.00	0.00	0.00	8,617.00		6,000.00	0.00	0.00	6,000.00		11,961.00	0.00	0.00	11,961.00
380902.14	2827 A St. LLC (London)	2827 A ST 22	1	Lump Sum		8,784.00	0.00	0.00	8,784.00		6,000.00	0.00	0.00	6,000.00		12,056.00	0.00	0.00	12,056.00
380902.14	2827 A St. LLC (London)	2827 A ST 23	1	Lump Sum		9,571.00	0.00	0.00	9,571.00		7,000.00	0.00	0.00	7,000.00		12,461.00	0.00	0.00	12,461.00
380902.14	2827 A St. LLC (London)	2827 A ST 24	1	Lump Sum		9,571.00	0.00	0.00	9,571.00		7,000.00	0.00	0.00	7,000.00		12,461.00	0.00	0.00	12,461.00
380902.14	2827 A St. LLC (London)	2827 A ST 25	1	Lump Sum		9,571.00	0.00	0.00	9,571.00		7,000.00	0.00	0.00	7,000.00		12,461.00	0.00	0.00	12,461.00
380902.14	2827 A St. LLC (London)	2827 A ST 26	1	Lump Sum		9,571.00	0.00	0.00	9,571.00		7,000.00	0.00	0.00	7,000.00		12,736.00	0.00	0.00	12,736.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST A	1	Lump Sum		15,247.00	3,074.00	850.00	19,171.00		19,000.00	3,000.00	1,000.00	23,000.00		23,482.00	4,000.00	750.00	28,232.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST B	1	Lump Sum		14,392.00	3,074.00	750.00	18,216.00		16,000.00	3,000.00	1,000.00	20,000.00		22,901.00	4,000.00	750.00	27,651.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST C	1	Lump Sum		14,985.00	3,074.00	750.00	18,809.00		17,000.00	3,000.00	1,000.00	21,000.00		22,901.00	4,001.00	750.00	27,652.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST D	1	Lump Sum		13,740.00	3,074.00	950.00	17,764.00		16,000.00	3,000.00	1,000.00	20,000.00		24,585.00	4,000.00	750.00	29,335.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST E	1	Lump Sum		17,160.00	3,074.00	950.00	21,184.00		20,000.00	3,000.00	1,000.00	24,000.00		24,740.00	4,000.00	850.00	29,590.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST F	1	Lump Sum		14,461.00	3,074.00	750.00	18,285.00		16,000.00	3,000.00	1,000.00	20,000.00		22,806.00	4,000.00	750.00	27,556.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST G	1	Lump Sum		14,311.00	3,074.00	950.00	18,335.00		16,000.00	3,000.00	1,000.00	20,000.00		23,006.00	4,000.00	950.00	27,956.00
380901.09	AMG Holdings LLC	AMG Holdings 2775 A ST H	1	Lump Sum		17,341.00	3,074.00	1,050.00	21,465.00		19,000.00	3,000.00	1,000.00	23,000.00		24,120.00	4,000.00	950.00	29,070.00
380902.10	Byrom	BYROM 4318 MONTALVO ST	1	Lump Sum		13,617.00	3,074.00	1,150.00	17,841.00		15,000.00	3,000.00	1,000.00	19,000.00		19,522.00	4,000.00	1,150.00	24,672.00
380902.10	Byrom	BYROM 4320 MONTALVO ST	1	Lump Sum		13,110.00	3,074.00	1,150.00	17,334.00		14,000.00	3,000.00	1,000.00	18,000.00		18,855.00	4,000.00	1,050.00	23,905.00
380902.10	Byrom	BYROM 4322 MONTALVO ST	1	Lump Sum		13,487.00	3,074.00	1,150.00	17,711.00		14,000.00	3,000.00	1,000.00	18,000.00		19,448.00	4,000.00	1,050.00	24,498.00
380902.10	Byrom	BYROM 324 MONTALVO ST	1	Lump Sum		13,186.00	3,074.00	1,150.00	17,410.00		14,000.00	3,000.00	1,000.00	18,000.00		14,890.00	4,000.00	1,050.00	19,940.00
380903.10	Jacome	JACOME 3052 B ST	1	Lump Sum		13,494.00	0.00	0.00	13,494.00		11,000.00	0.00	0.00	11,000.00		16,664.00	0.00	0.00	16,664.00
380903.10	Jacome	JACOME 3054 B ST	1	Lump Sum		16,531.00	0.00	0.00	16,531.00		15,000.00	0.00	0.00	15,000.00		17,010.00	0.00	0.00	17,010.00
380903.10	Jacome	JACOME 3056 B ST	1	Lump Sum		11,520.00	0.00	0.00	11,520.00		11,000.00	0.00	0.00	11,000.00		14,927.00	0.00	0.00	14,927.00
380903.10	Jacome	JACOME 3058 B ST	1	Lump Sum		11,227.00	0.00	0.00	11,227.00		11,000.00	0.00	0.00	11,000.00		14,685.00	0.00	0.00	14,685.00
			84					Subtotal	$1,319,742.00				Subtotal	$1,339,000.00				Subtotal	$1,829,894.00
								TOTAL BID	**$1,319,742.00**				**TOTAL BID**	**$1,339,000.00**				**TOTAL BID**	**$1,829,894.00**

Total Bid differs from Bid Schedule A of $1,829,993 ($-99.00 discrepancy)

RESOLUTION NO. 2017-0060

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AWARDING A CONTRACT TO G&G SPECIALTY CONTRACTORS, INC., IN THE AMOUNT OF $1,319,742, FOR PHASE 8, GROUP 12, PROJECT NO. 380812, OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY'S QUIETER HOME PROGRAM

WHEREAS, the San Diego County Regional Airport Authority ("Authority") has established a residential sound insulation program, known as the Quieter Home Program ("Program"), to reduce aircraft noise levels in the homes of residents living within the highest noise-impacted neighborhoods surrounding San Diego International Airport ("Airport"); and

WHEREAS, Phase 8, Group 12, of the Program will include installation of new acoustical windows, doors, and ventilation improvements to reduce aircraft-related noise levels inside the homes; and

WHEREAS, Phase 8, Group 12, of the Program provides sound attenuation to eighty-four (84) non-historic multi-family units on seven (7) residential properties located east and west of the Airport; and

WHEREAS, the Authority issued a Bid Solicitation Package for Phase 8, Group 12, on May 9, 2017; and

WHEREAS, on June 8, 2017, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the apparent low bidder G&G Specialty Contractors, Inc., submitted a bid of $1,319,742.00 and the Authority's staff has duly considered the bid and has determined G&G Specialty Contractors, Inc., is responsible and that its bid is responsive in all material respects; and

WHEREAS, the San Diego County Regional Airport Authority Board ("Board") believes that it is in the best interest of the Authority and the public that it serves to award G&G Specialty Contractors, Inc., the lowest bidder, the contract for Phase 8, Group 12, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to G&G Specialty Contractors, Inc., in the amount of $1,319,742, for

Phase 8, Group 12, Project No. 380812, of the San Diego County Regional Airport Authority's Quieter Home Program; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee is hereby authorized to execute and deliver such contract to G&G Specialty Contractors, Inc.; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents are hereby authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that this is a "project" as defined by the California Environmental Quality Act ("CEQA"), Cal. Pub. Res. Code §21065; and is a "development," as defined by the California Coastal Act, Cal. Pub. Res. Code §30106 and that the individual Quieter Home Program projects are categorically exempt from the CEQA under Cal. Code Regs. §15301(f), "Existing Facilities," and are exempt from coastal permit requirements under Cal. Pub. Res. Code §§30610(a) and 30610(b) and 14 Cal. Code Regs. §§13250 and 13253.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____
TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

____
AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
11

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Approve and Authorize the President/CEO to Execute a Fourth Amendment to the Pest Control and Remediation Services Agreement with Cartwright Termite & Pest Control, Inc.

Recommendation:

Adopt Resolution No. 2017-0061, approving and authorizing the President/CEO to execute a Fourth Amendment to the Pest Control and Remediation Services Agreement with Cartwright Termite & Pest Control, Inc., exercising the Authority's option to extend the Agreement term for the second of two (2) one-year extensions to August 31, 2018, and increasing the amount payable by $800,000 for a total not-to-exceed compensation amount of $7,157,776.

Background/Justification:

On July 11, 2013, the Board adopted Resolution 2013-0070 awarding an agreement to Cartwright Termite & Pest Control, Inc. ("Cartwright") for provision of pest control and remediation services at San Diego International Airport ("SDIA"). The agreement is for an initial 3-year term, expiring August 31, 2016, with an option for two (2) one-year extensions to be exercised at the discretion of the President/CEO, for a total not-to-exceed compensation of $2,800,000 for pest control services and $2,200,000 for remediation services. This Agreement is the primary means for preventing and managing pests, such as rodents, ants, bees, and mosquitoes, at SDIA facilities including the Authority's off-airport property and tenant and concession spaces.

On December 4, 2014, the Board authorized the First Amendment to the Agreement to increase the maximum amount payable by $300,000 for a total not-to-exceed compensation amount of $5,300,000 and to combine pest control services and remediation services as a single line item in the Agreement. (Resolution No. 2014-0134). The increased contract amount ensured adequate funding through the initial 3-year term of the Agreement that ended August 31, 2016.

On March 17, 2016, the Board authorized the Second Amendment to the Agreement to exercise the option to extend the Agreement end date for one-year and to increase the maximum amount payable by $1,057,776.00 (for a total not-to-exceed compensation amount of $6,357,776) to continue supporting pest management activities through the fourth contract year. (Resolution No. 2016-0022).

On November 9, 2016, the parties executed a Third Amendment to the Agreement to recognize and rectify a mutual mistake of the Parties concerning the compensation schedule in Exhibit B of the Agreement. The conditions that were included in the Contractor's final pricing proposal, dated May 31, 2013, and accepted by the Authority were inadvertently omitted from the final version of the Agreement.

Fourth Amendment Justification

To date, Agreement expenses covering pest control and remediation services amount to $6,287,776. It is projected that by the end of the current Agreement on August 31, 2017, the current total not-to-exceed compensation amount of $6,357,776 would be expended. As such, the proposed Fourth Amendment will exercise the Authority's option to extend the Agreement for the second of the two (2) one-year extensions through August 31, 2018, and to increase the total amount payable by $800,000 for a total not-to-exceed compensation amount of $7,157,776.

In close collaboration with Cartwright Termite and Pest Control and others, the Authority has successfully transitioned to an Integrated Pest Management (IPM) approach. This approach prioritizes education, prevention, and the application of non-toxic materials to control pest populations, with toxic chemicals only being used as a last resort. It has also been found by many commercial building owners and operators to be more economical and more protective of human and environmental health. Since 2013, the Authority's IPM program has resulted in a 93% decrease in rodent trappings in interior spaces, 66% of all pest-deterring products being natural and non-toxic, and SDIA being recognized by the California Department of Pesticide Regulation with an achievement award.

Therefore, this Fourth Amendment to extend the Agreement for the final optional year will help ensure continuity and continued progress in controlling pest populations at SDIA. The Fourth Amendment will also allow the Authority to take advantage of reduced rates triggered in the final contract year, resulting in an increase in the total maximum amount payable by only $800,000 for the remainder of the Agreement (in comparison to the $1,057,776.00 previously authorized to exercise the first option year).

Fiscal Impact:

Adequate funding for pest control and remediation service is included in the adopted FY 2017 and FY 2018 and conceptually approved FY 2019 Operating Expense Budgets within the Refuse & Hazardous Waste Disposal item.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☒ Customer Strategy ☐ Employee Strategy ☒ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides limited opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. Policy 5.12 provides a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed $200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance with Policy 5.12, the recommended firm, Cartwright Termite & Pest Control, Inc. received a 5% small business preference under the prior preference standard of $100,000.

Prepared by:

BRENDAN REED
ENVIRONMENTAL AFFAIRS, DIRECTOR

RESOLUTION NO. 2017-0061

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A FOURTH AMENDMENT TO THE PEST CONTROL AND REMEDIATION SERVICES AGREEMENT WITH CARTWRIGHT TERMITE & PEST CONTROL, INC., EXERCISING THE AUTHORITY'S OPTION TO EXTEND THE AGREEMENT TERM FOR THE SECOND OF TWO (2) ONE-YEAR EXTENSIONS TO AUGUST 31, 2018, AND INCREASING THE AMOUNT PAYABLE BY $800,000 FOR A TOTAL NOT-TO-EXCEED COMPENSATION AMOUNT OF $7,157,776

WHEREAS, on July 11, 2013, the Board adopted Resolution 2013-0070 awarding an agreement to Cartwright Termite & Pest Control, Inc. ("Cartwright") for provision of pest control and remediation services at San Diego International Airport (SDIA); and

WHEREAS, the Agreement is for an initial 3-year term, expiring August 31, 2016, with an option for two (2) one-year extensions to be exercised at the discretion of the President/CEO, for a total not-to-exceed compensation of $2,800,000 for pest control services and $2,200,000 for remediation services; and

WHEREAS, on December 4, 2014, the Board authorized the First Amendment to the Agreement to increase the maximum amount payable by $300,000 for a total not-to-exceed compensation amount of $5,300,000 to ensure adequate funding through the initial 3-year term and to combine pest control services and remediation services as a single line item in the Agreement [Resolution No. 2014-0134]; and

WHEREAS, on March 17,, 2016, the Board authorized the Second Amendment to the Agreement to exercise the option to extend the Agreement end date for one-year and to increase the maximum amount payable by $1,057,776.00 (for a total not-to-exceed compensation amount of $6,357,776) to continue supporting pest management activities through the fourth contract year [Resolution No. 2016-0022]; and

WHEREAS, on November 9, 2016, the Parties executed the Third Amendment to the Agreement to recognize and rectify a mutual mistake of the Parties concerning the compensation schedule in Exhibit B of the Agreement.

The conditions that were included in the Contractor's final pricing proposal, dated May 31, 2013, and accepted by the Authority were inadvertently omitted from the final version of the Agreement; and

WHEREAS, to date, Agreement expenses covering pest control and remediation services amount to $6,287,776 and it is projected that by the end of the current Agreement on August 31, 2017, the current total not-to-exceed compensation amount of $6,357,776 would be expended; and

WHEREAS, this Fourth Amendment to extend the Agreement for the final optional year will help ensure continuity and continued progress in controlling pest populations at SDIA; and

WHEREAS, this Fourth Amendment will also allow the Authority to take advantage of reduced rates triggered in the final contract year, resulting in an increase in the total maximum amount payable by only $800,000 for the remainder of the Agreement (in comparison to the $1,057,776.00 previously authorized to exercise the first option year).

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a Fourth Amendment to the Pest Control and Remediation Services Agreement with Cartwright Termite & Pest Control, Inc., exercising the Authority's option to extend the Agreement term for the second of two (2) one-year extensions to August 31, 2018, and increasing the amount payable by $800,000 for a total not-to-exceed compensation amount of $7,157,776; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolution; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____
TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

____
AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
12

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Approve and Authorize the President/CEO to Execute an Eighth Amendment to the On-Call Services Agreement with Ricondo & Associates

Recommendation:

Adopt Resolution No. 2017-0062, approving and authorizing the President/CEO to execute an Eighth Amendment to the Agreement with Ricondo & Associates for on-call services increasing the compensation amount by $1,600,000 for total not-to-exceed amount of $4,600,000.

Background/Justification:

On November 8, 2013, a Request for Proposals (RFP) for on-call technical airport planning services was issued. After completion of a competitive RFP process, the Board awarded an agreement to Ricondo & Associates (R&A) to provide on-call technical airport planning services for a term of three (3) years with two one-year options to renew and a not to exceed compensation amount of $3,000,000 (hereinafter the "Agreement"). [Resolution No. 2014-0011]. The Agreement provides essential on-call technical airport planning consultant services to support the Airport Planning and Noise Mitigation Department, as well as other departments throughout the Authority. These services are needed to address numerous airport planning and environmental projects. In addition, these services support other Department programs and projects, including Operations, Facilities Development, Airport Design and Construction, and Business and Financial Management.

To date, R&A has involved 13 subcontractors in various efforts to support the Authority under the Agreement. Seven amendments were made previously to add subconsultants with expertise in various disciplines as follows: on June 6, 2014, the parties executed a First Amendment, on November 5, 2014, the parties executed a Second Amendment, on April 10, 2015, the parties executed a Third Amendment, on May 6, 2015, the parties executed a Fourth Amendment, on October 1, 2015, the parties executed a Fifth Amendment, on December 29, 2015, the parties executed a Sixth Amendment, on June 9, 2016 the parties executed a Seventh Amendment.

The purpose of this Eighth Amendment is to increase the existing contract value. Adequate funds exist within the Department budget. Below are examples of some of the work performed under the Agreement:

Task Description	Task Amount
Develop aircraft parking position concepts	$35,000
Analysis of airspace procedures and critical obstructions at SDIA	$60,000
Develop air cargo area development concepts	$30,000
Feasibility study of limousine/charter vehicle management system	$40,000
NEPA documentation for Taxiway B OFA clearing project	$30,000
Noise analysis to respond to community concerns and ANAC Subcommittee meetings	$92,000
Roadway intersection and closure analyses	$20,000

To date, a total of $2,671,969 has been invoiced under the Agreement. Several major tasks/work efforts for services performed under this Agreement account for a large portion of the amount invoiced to date. These four major tasks, totaling $974,118 include:

Major Tasks completed	Description	Task Amount
Runway reconstruction study	Analyze the potential options to reconstruct the single runway and integrate with future airfield and terminal improvements. Collaboration with the FAA and airlines resulted in a plan for addressing runway reconstruction and minimizing impacts to operations.	$503,792
Airport passenger survey	Survey airport passengers for characteristics and customer satisfaction related to terminal and ground transportation services.	$234,532
Airport Transit Plan Update	Analyze and prepare a report identifying four transit measures to increase airport users use of public transit to SAN.	$133,921
Planning for Taxiway B	Analyze and preparing plans for improvements to increase safety and efficient for Taxiway B.	$101,873

In December 2016, the Authority exercised the first one-year extension resulting in a termination date of February 6, 2018. During the contract period the burn rate has been an average of $54,933 spent per month. As of June 1, 2017, there is approximately $85,000 remaining in the not-to-exceed contract value of $3,000,000. The Agreement allows for one additional time extension that would allow the term to continue through February 2019.

Based upon historic expenditure trends, it is anticipated the Authority will spend $1.6 million over the next two years to support anticipated activities with the anticipated workload. Beyond unforeseen and ongoing projects, additional planning and environmental consulting services will be needed to complete the following projects:

Upcoming Task	Description and Purpose/Need
Planning and environmental review for Taxiways A and B	Additional planning and environmental review will be required for the proposed realignment of Taxiway B and the construction and operation of a new Taxiway A to provide dual aircraft movement in the terminal and airfield areas.
Traffic analysis for proposed improvements	Traffic analysis is required of additional development proposed in the Northside Improvements (including a new drive-thru commercial operations) and airport support facilities.
Relocation of FAA required airfield facilities	Siting study is required to analyze suitable locations to relocate the FAA's existing Automated Surface Observation System (ASOS) and Runway Visual Range (RVR) facilities.

Therefore, additional contract capacity is needed to ensure that the Airport Planning and Noise Mitigation Department staff continues to be supported and to avoid the interruption of ongoing efforts. Assuming that the Authority will exercise the second one-year extension through February 6, 2019, additional contract capacity is required to cover 19 months (between July 1, 2017 and February 6, 2019) with an anticipated work load and burn rate of $80,000 per month. Based on the spent amounts listed above, an additional $1,600,000 increase is requested to the Agreement for a total not-to-exceed amount of $4,600,000.

Fiscal Impact:

Adequate funds for the amendment to the agreement with Ricondo & Associates is included in the adopted FY 2018 and conceptually approved FY 2019 Operating Expense Budgets within the Other Professional Services line item.

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy ☒ Customer Strategy ☒ Employee Strategy ☒ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides limited opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. Policy 5.12 provides a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed $200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance to Policy 5.12, the recommended firm, Ricondo & Associates received 0% small business preference.

Prepared by:

TED ANASIS
MANAGER, AIRPORT PLANNING

RESOLUTION NO. 2017-0062

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN EIGHTH AMENDMENT TO THE AGREEMENT WITH RICONDO & ASSOCIATES FOR ON-CALL SERVICES INCREASING THE COMPENSATION AMOUNT BY $1,600,000 FOR A TOTAL NOT-TO-EXCEED AMOUNT OF $4,600,000

WHEREAS, on November 8, 2013, the Airport Authority issued a Request for Proposals (RFP) for on-call technical airport planning services; and

WHEREAS, after completion of a competitive RFP process, the Board awarded an agreement to Ricondo & Associates to provide on-call technical airport planning services for a term of three (3) years with two one-year options to renew and a not to exceed compensation amount of $3,000,000 (hereinafter the “Agreement”) [Resolution No. 2014-0011]; and

WHEREAS, the Agreement began on February 7, 2014, and expires on February 6, 2017; and

WHEREAS, the parties have executed seven amendments, each of which allowed the addition of subconsultants and the establishment of their hourly rates; and

WHEREAS, the parties executed these amendments as follows: on June 6, 2014, the parties executed a First Amendment, on November 5, 2014, the parties executed a Second Amendment, on April 10, 2015, the parties executed a Third Amendment, on May 6, 2015, the parties executed a Fourth Amendment, on October 1, 2015, the parties executed a Fifth Amendment, on December 29, 2015, the parties executed a Sixth Amendment, on June 9, 2016 the parties executed a Seventh Amendment. The amendments were made to add subconsultants with expertise in various disciplines; and

WHEREAS, the Airport Authority requires on-call technical airport planning consulting services in support of various airport planning and development programs; and

WHEREAS, examples of tasks that may be requested under the Agreement are analyses of ground access, terminal planning, airfield planning, airport support services and environmental services; and

WHEREAS, additional services are necessary to support airport planning, terminal planning, airfield planning, airport support services and environmental services for the remainder of the Agreement term.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an Eighth Amendment to the Agreement with Ricondo & Associates for On-Call Services increasing the compensation amount by $1,600,000 for a total not-to-exceed amount of $4,600,000; and

BE IT FURTHER RESOLVED that the Board finds that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____
TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

____
AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
13

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Award a Contract to Granite Construction Company, for Clear Object Free Area (OFA) Taxiway B at San Diego International Airport

Recommendation:

Adopt Resolution No. 2017-0065, awarding a contract to Granite Construction Company, in the amount of $5,598,909 for Project No. 104129, Clear Object Free Area (OFA) Taxiway B at San Diego International Airport.

Background/Justification:

This project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2018 Capital Improvement Program ("CIP").

The existing Taxiway B Object Free Area ("OFA") is of non-standard condition and does not have the required Taxiway OFA for Airplane Design Group (ADG) V, such as Boeing 777 and 787 aircraft. Currently, airport operations are restricted by the inability of large aircraft to access Runway 27, forcing midfield runway crossings or the use of Runway 9 for takeoff.

This project will clear objects from the Taxiway B OFA for unrestricted access by Group V aircraft. The scope of work includes the reconstruction or replacement of the communications rack room, secured access gate, vehicle service road, and perimeter fence. This project also includes modifications to existing signage and markings and provides power and communications duct banks to service the new Runway Status Lights Building per Memorandum of Agreement (MOA) with the FAA (Attachment A).

This contract was advertised on May 3, 2017, and sealed bids were opened on June 2, 2017. The following bids were received: (Attachment B)

Company	Total Bid
Granite Construction Company	$5,598,909.00
Marcon Engineering, Inc.	$5,934,425.30

The Engineer's estimate is $6,003,783.50.

The low bid of $5,598,909, is responsive, and Granite Construction Company, is considered responsible. Staff recommends award to Granite Construction Company, in the amount of $5,598,909.

Fiscal Impact:

Adequate funds for Clear OFA Taxiway B are included within the Board approved FY2018-FY2023 Capital Program Budget in Project No. 104129. Source of funding for this project include Passenger Facility Charges, Airport Cash and Bonds.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. California Environmental Quality Act Review: The potential environmental impacts and possible adverse effects were identified and evaluated in an environmental analysis completed for the proposed project. The analysis determined there would be no significant impacts with project conditions incorporated into the proposed project related to water quality and biological resources. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended, 14 Cal. Code Regs. Section 15378. The proposed project is a class of project that is a categorical exemption according to:

   15301 - Existing Facilities – Class 1 consists of the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features involving negligible or no expansion of use beyond that previously existing, including: (c) existing highways and streets, sidewalks, gutters, bicycle and pedestrian trails, and similar facilities; and (h) maintenance of existing landscaping, native growth, and water supply reservoirs; and

   15302 – Replacement or Reconstruction – Class 2 consists of the Replacement or reconstruction consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including: (c) replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity; and

   15304 - Minor Alterations to Land – Class 4 consists of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature scenic trees, including: (a) grading on land with a slope less than 10 percent; (b) new gardening or landscaping, including the replacement of existing conventional landscaping with water efficient or fire resistant landscaping; and (f) minor trenching and backfilling where the surface is restored.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

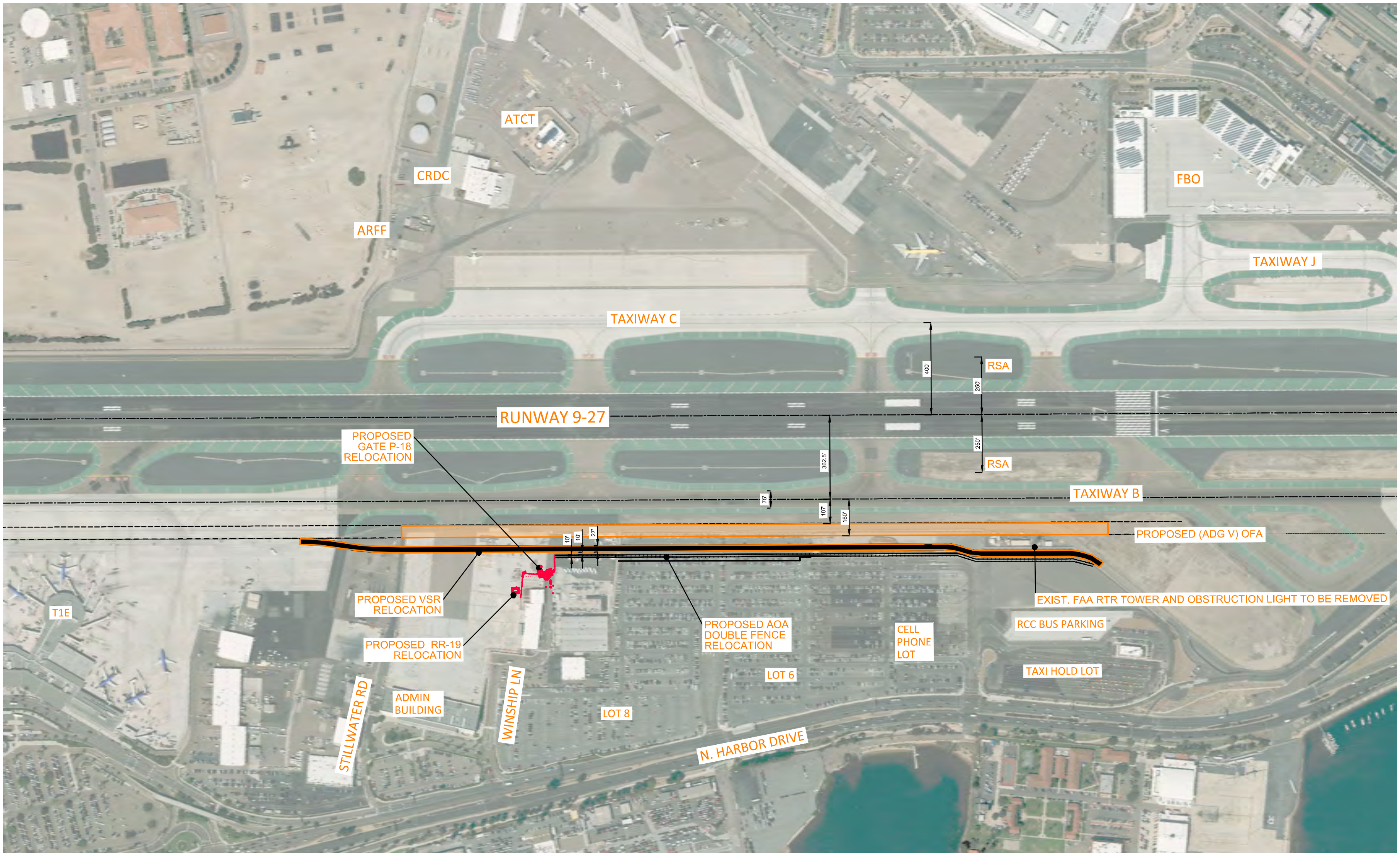
This contract does not utilize federal funds and provides opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.14 was applied. Policy 5.14 establishes separate goals for the participation of: (1) small businesses; (2) local businesses; and, (3) service disabled veteran owned small businesses (SDVOSB). The local business participation goal can only be applied when the overall local business participation of all Authority contracts at the time of solicitation is less than 60%. The maximum preference applied under Policy 5.14 is seven percent (7%): three percent (3%) for small business participation; two percent (2%) for local business participation; and, two percent (2%) for SDVOSB participation. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed $200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid. When bid price is not the primary selection criteria, the preference is only applied to determine which proposers are interviewed for final consideration. Per Policy 5.14, the preference is not applied in the final selection.

In accordance with Policy 5.14, Granite Construction Company partially met the SBE goal of 35% with 28% small business participation for a 2% certified small business preference and met the SDVOSB goal of 3% for a 6% SDVOSB participation preference. At the time of the solicitation it was determined that the Authority's overall local business participation exceeded 60%, therefore no preference was applied for local business participation.

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT

ATTACHMENT A



CIP 104129 CLEAR OBJECT FREE AREA (OFA) TAXIWAY 'B'

NORTH

ATTACHMENT B
BID TABULATION

Project Title: **Clear OFA Taxiway B** **CIP Number:** **104129**

DATE/TIME BIDS OPENED: **06/02/2017 at 2:00 PM**

						1		2	
ENGINEER'S ESTIMATE:	**$ 6,003,783.50**			**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Marcon Engineering Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		876 N Broadway Escondido, CA 92025	
GUARANTEE OF GOOD FAITH:						Travelers Casualty and Surety Company of America		Arch Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
Bid Schedule A - Base Bid									
1	Overhead	250	DAY	$ 2,850.00	$ 712,500.00	$ 2,500.00	$ 625,000.00	$ 2,717.00	$ 679,250.00
2	Mobilization/Demobilization	1	LS	$ 400,000.00	$ 400,000.00	$ 400,000.00	$ 400,000.00	$ 165,000.00	$ 165,000.00
3	Remove Gate P-18 and Guard Booth	1	LS	$ 12,750.00	$ 12,750.00	$ 40,000.00	$ 40,000.00	$ 8,700.00	$ 8,700.00
4	Remove Generator	1	LS	$ 6,500.00	$ 6,500.00	$ 4,000.00	$ 4,000.00	$ 6,100.00	$ 6,100.00
5	Remove and Dispose of AC Pavement	495	CY	$ 100.00	$ 49,500.00	$ 100.00	$ 49,500.00	$ 66.00	$ 32,670.00
6	Remove and Dispose of PCC Pavement	90	CY	$ 165.00	$ 14,850.00	$ 350.00	$ 31,500.00	$ 99.00	$ 8,910.00
7	Remove and Dispose of HMA Overlay on PCC Pavement	125	CY	$ 200.00	$ 25,000.00	$ 130.00	$ 16,250.00	$ 77.00	$ 9,625.00
8	Remove and Dispose of Geogrid	1,200	SY	$ 8.20	$ 9,840.00	$ 8.00	$ 9,600.00	$ 5.50	$ 6,600.00
9	Remove and Dispose of Curb	130	LF	$ 15.00	$ 1,950.00	$ 10.00	$ 1,300.00	$ 16.00	$ 2,080.00
10	Remove and Dispose of AC Berm	95	LF	$ 16.00	$ 1,520.00	$ 13.00	$ 1,235.00	$ 13.00	$ 1,235.00
11	Remove and Dispose of Yellow Fence	80	LF	$ 55.00	$ 4,400.00	$ 50.00	$ 4,000.00	$ 55.00	$ 4,400.00
12	Remove and Dispose of Parking Lot Fence	105	LF	$ 30.00	$ 3,150.00	$ 20.00	$ 2,100.00	$ 22.00	$ 2,310.00
13	Remove and Dispose of Standard Chain Link Fence	250	LF	$ 20.00	$ 5,000.00	$ 14.00	$ 3,500.00	$ 15.00	$ 3,750.00
14	Remove and Dispose of Type I AOA Fence	1,330	LF	$ 14.00	$ 18,620.00	$ 8.00	$ 10,640.00	$ 8.80	$ 11,704.00
15	Remove and Dispose of Type I AOA Fence with Razor Wire	375	LF	$ 18.00	$ 6,750.00	$ 12.00	$ 4,500.00	$ 13.00	$ 4,875.00
16	Remove and Dispose of Type I AOA Fence with Razor Wire and PIDS	300	LF	$ 16.00	$ 4,800.00	$ 10.00	$ 3,000.00	$ 11.00	$ 3,300.00
17	Remove and Salvage Type II AOA Fence on K-Rail with Razor Wire and PIDS	2,200	LF	$ 11.00	$ 24,200.00	$ 17.00	$ 37,400.00	$ 11.00	$ 24,200.00
18	Relocate Portable Barrier with Chain Link Fence	885	LF	$ 20.00	$ 17,700.00	$ 30.00	$ 26,550.00	$ 21.00	$ 18,585.00
19	Remove Pavement Markings	40,000	SF	$ 1.75	$ 70,000.00	$ 1.00	$ 40,000.00	$ 1.21	$ 48,400.00
20	Remove and Dispose of Type A Bollard	36	EA	$ 310.00	$ 11,160.00	$ 300.00	$ 10,800.00	$ 218.00	$ 7,848.00
21	Remove and Dispose of Type B Bollard	8	EA	$ 360.00	$ 2,880.00	$ 300.00	$ 2,400.00	$ 220.00	$ 1,760.00
22	Remove Turnstile	1	EA	$ 5,000.00	$ 5,000.00	$ 4,000.00	$ 4,000.00	$ 2,200.00	$ 2,200.00
23	Remove Wheel Stops	61	EA	$ 90.00	$ 5,490.00	$ 80.00	$ 4,880.00	$ 66.00	$ 4,026.00
24	Remove and Dispose of Sign and Post	1	EA	$ 500.00	$ 500.00	$ 750.00	$ 750.00	$ 220.00	$ 220.00
25	Remove and Dispose of Gravel	40	CY	$ 82.00	$ 3,280.00	$ 20.00	$ 800.00	$ 110.00	$ 4,400.00
26	Remove and Dispose of Infiltration Trench and 8 inch CPE Perforated Pipe	135	LF	$ 58.00	$ 7,830.00	$ 100.00	$ 13,500.00	$ 33.00	$ 4,455.00
27	Remove and Dispose of Cleanout	1	EA	$ 600.00	$ 600.00	$ 350.00	$ 350.00	$ 550.00	$ 550.00
28	Remove and Dispose of Concrete Apron and Cover for Storm Drain Cleanout	1	EA	$ 2,000.00	$ 2,000.00	$ 450.00	$ 450.00	$ 2,198.00	$ 2,198.00
29	Relocate Port-A-Potty	1	EA	$ 850.00	$ 850.00	$ 250.00	$ 250.00	$ 550.00	$ 550.00
30	Remove and Dispose of CCTV Camera Pole	3	EA	$ 1,650.00	$ 4,950.00	$ 1,800.00	$ 5,400.00	$ 534.00	$ 1,602.00
31	Remove and Dispose of Light Pole	25	EA	$ 1,000.00	$ 25,000.00	$ 1,500.00	$ 37,500.00	$ 717.00	$ 17,925.00
32	Remove and Salvage Light Pole with Camera	3	EA	$ 1,500.00	$ 4,500.00	$ 1,800.00	$ 5,400.00	$ 525.00	$ 1,575.00

ATTACHMENT B
BID TABULATION

Project Title: **Clear OFA Taxiway B** **CIP Number:** **104129**

DATE/TIME BIDS OPENED: **06/02/2017 at 2:00 PM**

				ENGINEER'S ESTIMATE		1		2	
ENGINEER'S ESTIMATE:		**$ 6,003,783.50**				**Granite Construction Company**		**Marcon Engineering Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		876 N Broadway Escondido, CA 92025	
GUARANTEE OF GOOD FAITH:						Travelers Casualty and Surety Company of America		Arch Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
33	Remove and Dispose of Conduit	85	LF	$ 15.00	$ 1,275.00	$ 20.00	$ 1,700.00	$ 3.50	$ 297.50
34	Remove and Dispose of Underground Electrical Wire	1,500	LF	$ 5.00	$ 7,500.00	$ 1.00	$ 1,500.00	$ 0.86	$ 1,290.00
35	Remove and Salvage Guard Shack	2	EA	$ 5,500.00	$ 11,000.00	$ 2,700.00	$ 5,400.00	$ 11,000.00	$ 22,000.00
36	Remove and Dispose of Backflow Preventer	1	EA	$ 2,100.00	$ 2,100.00	$ 500.00	$ 500.00	$ 1,100.00	$ 1,100.00
37	RR-19 Building	1	LS	$ 330,000.00	$ 330,000.00	$ 350,000.00	$ 350,000.00	$ 333,000.00	$ 333,000.00
38	Furnish and Install Turnstile	1	EA	$ 16,000.00	$ 16,000.00	$ 17,000.00	$ 17,000.00	$ 18,100.00	$ 18,100.00
39	Furnish and Install Guard Post	1	EA	$ 360,000.00	$ 360,000.00	$ 105,000.00	$ 105,000.00	$ 40,600.00	$ 40,600.00
40	Existing Rack Room 19 Building Vault - Complete	1	LS	$ 170,000.00	$ 170,000.00	$ 600,000.00	$ 600,000.00	$ 371,000.00	$ 371,000.00
41	Low voltage power Distribution Cable (600V and Less)	1	LS	$ 41,000.00	$ 41,000.00	$ 41,000.00	$ 41,000.00	$ 66,000.00	$ 66,000.00
42	Furnish and Install 2'x3'x3' Vehicle Rated Handhole	8	EA	$ 2,500.00	$ 20,000.00	$ 4,100.00	$ 32,800.00	$ 1,090.00	$ 8,720.00
43	Furnish and Install 3'x3'x3' Vehicle Rated Handhole	5	EA	$ 4,000.00	$ 20,000.00	$ 5,100.00	$ 25,500.00	$ 1,300.00	$ 6,500.00
44	1 way 1" Conduit - Direct Buried	1,500	LF	$ 51.10	$ 76,650.00	$ 16.00	$ 24,000.00	$ 176.00	$ 264,000.00
45	1 way 1" - Concrete Encased	100	LF	$ 73.00	$ 7,300.00	$ 26.00	$ 2,600.00	$ 220.00	$ 22,000.00
46	1 way 2 " Conduit - Direct Buried	100	LF	$ 69.00	$ 6,900.00	$ 26.00	$ 2,600.00	$ 198.00	$ 19,800.00
47	1 way 1" & 1 way 2" - Concrete Encased	100	LF	$ 76.50	$ 7,650.00	$ 31.00	$ 3,100.00	$ 198.00	$ 19,800.00
48	2 way 4" - Concrete Encased	150	LF	$ 86.00	$ 12,900.00	$ 41.00	$ 6,150.00	$ 220.00	$ 33,000.00
49	3 way 4" - Concrete Encased	300	LF	$ 92.50	$ 27,750.00	$ 46.00	$ 13,800.00	$ 220.00	$ 66,000.00
50	1 way 4"x3 way 1" Concrete Encased	120	LF	$ 95.00	$ 11,400.00	$ 46.00	$ 5,520.00	$ 220.00	$ 26,400.00
51	3 way 4" & 3 way 1" - Concrete Encased	400	LF	$ 101.00	$ 40,400.00	$ 51.00	$ 20,400.00	$ 220.00	$ 88,000.00
52	6 way 4" - Concrete Encased	260	LF	$ 127.00	$ 33,020.00	$ 105.00	$ 27,300.00	$ 220.00	$ 57,200.00
53	Overcurrent Protection Device and Arc Flash Study	1	LS	$ 7,000.00	$ 7,000.00	$ 6,500.00	$ 6,500.00	$ 2,200.00	$ 2,200.00
54	Rack Room 19 Generator System - Complete	1	LS	$ 91,500.00	$ 91,500.00	$ 77,000.00	$ 77,000.00	$ 79,000.00	$ 79,000.00
55	Telecommunications testing	1	LS	$ 4,000.00	$ 4,000.00	$ 43,000.00	$ 43,000.00	$ 5,500.00	$ 5,500.00
56	Communication and F/O Cabling, Termination, Integration, Testing	1	LS	$ 52,000.00	$ 52,000.00	$ 185,000.00	$ 185,000.00	$ 55,000.00	$ 55,000.00
57	Furnish and Install CCTV Video Camera System – Complete	1	LS	$ 288,000.00	$ 288,000.00	$ 174,000.00	$ 174,000.00	$ 357,000.00	$ 357,000.00
58	Unclassified Excavation	240	CY	$ 275.00	$ 66,000.00	$ 100.00	$ 24,000.00	$ 165.00	$ 39,600.00
59	Furnish and Place Imported Engineered Fill Material	644	CY	$ 65.00	$ 41,860.00	$ 75.00	$ 48,300.00	$ 66.00	$ 42,504.00
60	Subgrade Preparation	127,215	SF	$ 1.50	$ 190,822.50	$ 0.15	$ 19,082.25	$ 1.10	$ 139,936.50
61	Furnish and Place Class 2 Base	350	CY	$ 84.00	$ 29,400.00	$ 160.00	$ 56,000.00	$ 66.00	$ 23,100.00
62	Soil-Cement Subbase Course (Excluding Cement Materials), 12 inches	5,510	SY	$ 12.00	$ 66,120.00	$ 10.00	$ 55,100.00	$ 13.30	$ 73,283.00
63	Soil-Cement Subbase Course (Excluding Cement Materials), 6 inches	5,560	SY	$ 10.00	$ 55,600.00	$ 9.00	$ 50,040.00	$ 10.88	$ 60,492.80
64	Portland Cement (Soil-Cement)	405	TON	$ 155.00	$ 62,775.00	$ 150.00	$ 60,750.00	$ 170.00	$ 68,850.00

ATTACHMENT B
BID TABULATION

Project Title: **Clear OFA Taxiway B** **CIP Number:** **104129**

DATE/TIME BIDS OPENED: **06/02/2017 at 2:00 PM**

							1		2	
ENGINEER'S ESTIMATE:		**$ 6,003,783.50**		**ENGINEER'S ESTIMATE**			**Granite Construction Company**		**Marcon Engineering Inc.**	
							5860 El Camino Real, Suite 200 Carlsbad, CA 92008		876 N Broadway Escondido, CA 92025	
GUARANTEE OF GOOD FAITH:							Travelers Casualty and Surety Company of America		Arch Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)		UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
65	Furnish and Place HMA - Type A	2,300	TON	$ 130.00	$ 299,000.00		$ 145.00	$ 333,500.00	$ 143.00	$ 328,900.00
66	Cold Mill Existing Asphalt Pavement and Surface Preparation - 2 to 4 inches	2,100	SY	$ 8.50	$ 17,850.00		$ 13.00	$ 27,300.00	$ 9.77	$ 20,517.00
67	Porous Asphalt Pavement, 3.5 inches	360	SY	$ 62.50	$ 22,500.00		$ 50.00	$ 18,000.00	$ 40.00	$ 14,400.00
68	PCC Pavement, 8 inches	500	SY	$ 195.00	$ 97,500.00		$ 225.00	$ 112,500.00	$ 143.00	$ 71,500.00
69	Construct 6 Inch Curb Only - Separate - Type G-1	90	LF	$ 58.50	$ 5,265.00		$ 60.00	$ 5,400.00	$ 60.00	$ 5,400.00
70	Construct Metal Bollard - Type A	43	EA	$ 550.00	$ 23,650.00		$ 570.00	$ 24,510.00	$ 616.00	$ 26,488.00
71	Construct Metal Bollard - Type B	8	EA	$ 2,685.00	$ 21,480.00		$ 2,700.00	$ 21,600.00	$ 2,902.00	$ 23,216.00
72	Construct Demountable Post	5	EA	$ 480.00	$ 2,400.00		$ 500.00	$ 2,500.00	$ 550.00	$ 2,750.00
73	Construct Concrete Swale	225	SY	$ 106.00	$ 23,850.00		$ 100.00	$ 22,500.00	$ 143.00	$ 32,175.00
74	Furnish and Install Precast Concrete Wheel Stop	26	EA	$ 110.00	$ 2,860.00		$ 250.00	$ 6,500.00	$ 75.00	$ 1,950.00
75	Install Existing Precast Concrete Wheel Stop	61	EA	$ 60.00	$ 3,660.00		$ 60.00	$ 3,660.00	$ 44.00	$ 2,684.00
76	Install Pavement Markings - Yellow	6,030	SF	$ 2.00	$ 12,060.00		$ 1.30	$ 7,839.00	$ 2.03	$ 12,240.90
77	Install Pavement Markings - White	7,365	SF	$ 2.00	$ 14,730.00		$ 1.35	$ 9,942.75	$ 2.03	$ 14,950.95
78	Install Pavement Markings - Red	1,625	SF	$ 2.80	$ 4,550.00		$ 1.00	$ 1,625.00	$ 1.21	$ 1,966.25
79	Install Pavement Markings - Black	18,000	SF	$ 1.20	$ 21,600.00		$ 0.62	$ 11,160.00	$ 0.90	$ 16,200.00
80	Install Pavement Markings - Green	5,120	SF	$ 1.80	$ 9,216.00		$ 1.00	$ 5,120.00	$ 1.37	$ 7,014.40
81	Install Traffic Signage	1	LS	$ 7,765.00	$ 7,765.00		$ 1,300.00	$ 1,300.00	$ 1,456.00	$ 1,456.00
82	Furnish and Install Fence Type I (Chain Link Security Fence – 10 Feet High)	2,450	LF	$ 55.00	$ 134,750.00		$ 43.00	$ 105,350.00	$ 46.00	$ 112,700.00
83	Install Existing Fence Type II (Chain Link Security Fence on K-Rail)	1,900	LF	$ 30.00	$ 57,000.00		$ 23.00	$ 43,700.00	$ 35.00	$ 66,500.00
84	Furnish and Install Fence Type II (Chain Link Security Fence on K-Rail)	450	LF	$ 150.00	$ 67,500.00		$ 125.00	$ 56,250.00	$ 162.00	$ 72,900.00
85	Furnish and Install Type V Gate	5	EA	$ 1,600.00	$ 8,000.00		$ 1,500.00	$ 7,500.00	$ 1,594.00	$ 7,970.00
86	Furnish and Install AOA Vehicle Speed Gate (Type II Gate)	2	EA	$ 100,650.00	$ 201,300.00		$ 92,000.00	$ 184,000.00	$ 100,000.00	$ 200,000.00
87	Furnish and Install Shallow Mount Wedge Barrier Complete	1	LS	$ 280,000.00	$ 280,000.00		$ 238,000.00	$ 238,000.00	$ 223,000.00	$ 223,000.00
88	Furnish and Install Catch Basin	3	EA	$ 11,500.00	$ 34,500.00		$ 16,000.00	$ 48,000.00	$ 16,500.00	$ 49,500.00
89	Furnish and Install 12 Inch RCP Storm Drain Pipe, Class V	35	LF	$ 330.00	$ 11,550.00		$ 170.00	$ 5,950.00	$ 330.00	$ 11,550.00
90	Furnish and Install 18 Inch RCP Storm Drain Pipe, Class V	50	LF	$ 350.00	$ 17,500.00		$ 190.00	$ 9,500.00	$ 380.00	$ 19,000.00
91	Furnish and Install 6 Inch CPE Perforated Pipe	8	LF	$ 160.00	$ 1,280.00		$ 90.00	$ 720.00	$ 110.00	$ 880.00
92	Construct Concrete Apron with New Cover on Existing Storm Drain Cleanout	1	EA	$ 5,500.00	$ 5,500.00		$ 3,000.00	$ 3,000.00	$ 8,800.00	$ 8,800.00
93	Adjust Cleanout to Grade	2	EA	$ 1,150.00	$ 2,300.00		$ 1,500.00	$ 3,000.00	$ 1,099.00	$ 2,198.00
Total for Bid Schedule A					**$ 5,032,108.50**			**$ 4,801,124.00**		**$ 4,861,083.30**

ATTACHMENT B
BID TABULATION

Project Title: **Clear OFA Taxiway B** **CIP Number:** **104129**

DATE/TIME BIDS OPENED: **06/02/2017 at 2:00 PM**

						1		2	
ENGINEER'S ESTIMATE:	**$ 6,003,783.50**			**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Marcon Engineering Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		876 N Broadway Escondido, CA 92025	
GUARANTEE OF GOOD FAITH:						Travelers Casualty and Surety Company of America		Arch Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
								(Bid on Paper)	$ 4,861,083.00
Bid Schedule B - Allowances									
1	Allowance for Permits and Fees (Excludes Dewatering and Disposal)	Allowance	Allowance	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
2	Allowance for Dewatering Discharge Fees	Allowance	Allowance	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00	$ 35,000.00
3	Allowance for Waste and Soil Disposal Fees	Allowance	Allowance	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00	$ 90,000.00
4	Allowance for Environmental Procedures	Allowance	Allowance	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
5	Allowance for Unforeseen Conditions	Allowance	Allowance	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00	$ 60,000.00
6	Allowance for Furnish and Install Perimeter Intrusion Detection System - Complete	Allowance	Allowance	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00	$ 40,000.00
7	Allowance for Furnish and Install Weather Station and Associated Equipment - Complete	Allowance	Allowance	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
8	Allowance for Baseline Critical Path Method Schedule	Allowance	Allowance	$ 7,000.00	$ 7,000.00	$ 7,000.00	$ 7,000.00	$ 7,000.00	$ 7,000.00
9	Allowance for Submittal of Monthly Updates of the Project Schedule and Weekly Updates	Allowance	Allowance	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00	$ 12,000.00
Total for Bid Schedule B					**$ 374,000.00**		**$ 374,000.00**		**$ 374,000.00**

BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	Engineer's Estimate UNIT PRICE	Engineer's Estimate TOTAL	Granite UNIT PRICE	Granite TOTAL	Marcon UNIT PRICE	Marcon TOTAL
Bid Schedule C - Temporary Erosion/Sediment Control									
1	Temporary Erosion/Sediment Control – SWPPP Implementation and Maintenance	1	LS	$ 30,000.00	$ 30,000.00	$ 20,000.00	$ 20,000.00	$ 16,000.00	$ 16,000.00
2	Temporary Erosion/Sediment Control – Storm Drain Inlet Protection	6	EA	$ 300.00	$ 1,800.00	$ 600.00	$ 3,600.00	$ 165.00	$ 990.00
3	Temporary Erosion/Sediment Control – Temporary Stabilized Construction Entrance/Exit	2	EA	$ 5,000.00	$ 10,000.00	$ 2,500.00	$ 5,000.00	$ 5,496.00	$ 10,992.00
4	Temporary Erosion/Sediment Control – Concrete Washout	2	EA	$ 2,000.00	$ 4,000.00	$ 750.00	$ 1,500.00	$ 2,198.00	$ 4,396.00
5	Temporary Erosion/Sediment Control – Scheduling	32	WEEK	$ 250.00	$ 8,000.00	$ 50.00	$ 1,600.00	$ 220.00	$ 7,040.00
6	Temporary Erosion/Sediment Control – Street Sweeping	220	DAY	$ 600.00	$ 132,000.00	$ 400.00	$ 88,000.00	$ 530.00	$ 116,600.00
7	Temporary Erosion/Sediment Control – Geotextiles and Mats	39,000	SF	$ 1.10	$ 42,900.00	$ 0.15	$ 5,850.00	$ 0.33	$ 12,870.00
8	Temporary Erosion/Sediment Control – Fiber Rolls	1,200	LF	$ 4.50	$ 5,400.00	$ 3.50	$ 4,200.00	$ 4.40	$ 5,280.00
9	Temporary Erosion/Sediment Control – Gravel Bag Berms	1,200	LF	$ 5.00	$ 6,000.00	$ 3.50	$ 4,200.00	$ 6.87	$ 8,244.00
10	Temporary Erosion/Sediment Control – Temporary Tire Wash Entrance/Exit	220	DAY	$ 120.00	$ 26,400.00	$ 22.00	$ 4,840.00	$ 82.00	$ 18,040.00
11	Temporary Erosion/Sediment Control – Stockpile Management	220	DAY	$ 65.00	$ 14,300.00	$ 8.00	$ 1,760.00	$ 33.00	$ 7,260.00
12	Temporary Erosion/Sediment Control – Contaminated Soil Management	220	DAY	$ 90.00	$ 19,800.00	$ 22.00	$ 4,840.00	$ 33.00	$ 7,260.00
Total for Bid Schedule C					**$ 300,600.00**		**$ 145,390.00**		**$ 214,972.00**

ATTACHMENT B
BID TABULATION

Project Title: **Clear OFA Taxiway B** **CIP Number:** **104129**

DATE/TIME BIDS OPENED: **06/02/2017 at 2:00 PM**

BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	ENGINEER'S ESTIMATE UNIT PRICE (In Figures)	ENGINEER'S ESTIMATE TOTAL (In Figures)	1 Granite Construction Company, 5860 El Camino Real, Suite 200 Carlsbad, CA 92008; Travelers Casualty and Surety Company of America — UNIT PRICE (In Figures)	TOTAL (In Figures)	2 Marcon Engineering Inc., 876 N Broadway Escondido, CA 92025; Arch Insurance Company — UNIT PRICE (In Figures)	TOTAL (In Figures)
	ENGINEER'S ESTIMATE: **$ 6,003,783.50**								
	GUARANTEE OF GOOD FAITH:								
Bid Schedule D - RWSL Communication and Power									
1	#1/10 Bare CU Guard wire, Installed in Trench, Above the Duct Bank or Conduit, Including Ground Rods and Ground Connectors	1,500	LF	$ 9.00	$ 13,500.00	$ 4.00	$ 6,000.00	$ 43.97	$ 65,955.00
2	3-250MCM XHHW with (1) 1/10 green ground XHHW in Duct	950	LF	$ 20.00	$ 19,000.00	$ 31.00	$ 29,450.00	$ 32.98	$ 31,331.00
3	Vault Raceway and Switchgear Modifications	1	LS	$ 4,500.00	$ 4,500.00	$ 10,000.00	$ 10,000.00	$ 32,676.00	$ 32,676.00
4	200A Service - Single Load Center Equipment Rack - Complete	1	LS	$ 7,500.00	$ 7,500.00	$ 12,000.00	$ 12,000.00	$ 32,676.00	$ 32,676.00
5	4 Way 4", 1 Way 4" Schedule 40 PVC, w/ HDPE Inner duct, Concrete Encased, in Asphalt Pavement (RWSL P&C)	120	LF	$ 120.00	$ 14,400.00	$ 125.00	$ 15,000.00	$ 198.00	$ 23,760.00
6	4 Way 4", 1 Way 4" Schedule 40 PVC, w/ HDPE Inner duct, Concrete Encased, in Security Corridor in Gravel (RWSL P&C)	480	LF	$ 150.00	$ 72,000.00	$ 133.00	$ 63,840.00	$ 126.00	$ 60,480.00
7	1 Way 4", Schedule 40PVC, Concrete Encased (200A Service)	820	LF	$ 90.00	$ 73,800.00	$ 56.00	$ 45,920.00	$ 176.00	$ 144,320.00
8	2 Way 4" w/ 3" separation, Schedule 40 PVC, Concrete Encased, in Asphalt Pavement (RWSL Power)	155	LF	$ 95.00	$ 14,725.00	$ 67.00	$ 10,385.00	$ 176.00	$ 27,280.00
9	2 Way 4" w/ 7" separation, Schedule 40 PVC w/4 HDPE Inner ducts, Concrete Encased, in Asphalt Pavement (RWSL Control)	50	LF	$ 95.00	$ 4,750.00	$ 72.00	$ 3,600.00	$ 176.00	$ 8,800.00
10	4x4 Handhole, Pre-cast Concrete, Aircraft Rated Manhole	7	EA	$ 10,200.00	$ 71,400.00	$ 11,000.00	$ 77,000.00	$ 6,600.00	$ 46,200.00
11	Tie into existing manhole	2	EA	$ 750.00	$ 1,500.00	$ 2,600.00	$ 5,200.00	$ 5,446.00	$ 10,892.00
Total for Bid Schedule D					**$ 297,075.00**		**$ 278,395.00**		**$ 484,370.00**

ATTACHMENT B
BID TABULATION

Project Title: **Clear OFA Taxiway B** **CIP Number:** **104129**

DATE/TIME BIDS OPENED: **06/02/2017 at 2:00 PM**

					ENGINEER'S ESTIMATE		1 Granite Construction Company		2 Marcon Engineering Inc.	
ENGINEER'S ESTIMATE:			$ 6,003,783.50				5860 El Camino Real, Suite 200 Carlsbad, CA 92008		876 N Broadway Escondido, CA 92025	
GUARANTEE OF GOOD FAITH:							Travelers Casualty and Surety Company of America		Arch Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM		UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
Total for (Bid Schedule A+B+C+D)						**$ 6,003,783.50**		**$ 5,598,909.00**		**$ 5,934,425.30**
							(Bid on Paper)	$ 5,598,909.00	(Bid on Paper)	$ 5,934,425.30
ADDENDUM NO. NOTED BY BIDDERS ON THEIR SUBMITTED BID SCHEDULE:										
1							Yes		Yes	
2							Yes		Yes	

CONTRACTOR's Submitted Bid Schedule Amount	$ 5,598,909.00	$ 5,934,425.30

Policy 5.14 Points and Bid Adjustment Amount Table		**5%**		
Low Bid Amt	**$ 5,598,909.00**			
Points	Bid Adjustment Amount Based on Low Bid or Max. **$200,000**			
5 or 5%	**$200,000.00**	5%	5	**($200,000 max)**
4 or 4%	**$200,000.00**	4%	4	**($200,000 max)**
3 or 3%	**$167,967.27**	3%	3	
2 or 2%	**$111,978.18**	2%	2	
1 or 1%	**$55,989.09**	1%	1	

Policy 5.14 Bid Adjustment Amount		Policy 5.14 Bid Adjustment Amount	
Points	4	Points	1
Adjustment Amount (Enter Amount from Table Based on Number of	**$200,000.00**	**Adjustment Amount (Enter Amount from Table Based on Number of**	**$55,989.09**
	$5,398,909.00		**$5,878,436.21**

Distribution: Project Bid Review Checklist (Original)
Staff Report
FDD Estimator (Excel File)
Director, Small Business (PDF copy)
Program Coordinator, Small Business (PDF copy)
Project Procurement Analyst (PDF copy)

RESOLUTION NO. 2017-0065

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AWARDING A CONTRACT TO GRANITE CONSTRUCTION COMPANY, IN THE AMOUNT OF $5,598,909 FOR PROJECT NO. 104129, CLEAR OBJECT FREE AREA (OFA) TAXIWAY B AT SAN DIEGO INTERNATIONAL AIPPORT

WHEREAS, this project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2018 Capital Improvement Program ("CIP"); and

WHEREAS, the existing Taxiway B Object Free Area ("OFA") is of non-standard condition and does not have the required Taxiway OFA for Airplane Design Group (ADG) V aircraft, such as Boeing 777 and 787 aircraft; and

WHEREAS, airport operations are restricted by the inability of large aircraft to access Runway 27, forcing midfield runway crossings or the use of Runway 9 for takeoff; and

WHEREAS, this project will clear objects from the Taxiway B OFA for unrestricted access by Group V aircraft; and

WHEREAS, the scope of work includes the reconstruction or replacement of the communications rack room, secured access gate, vehicle service road, and perimeter fence; and

WHEREAS, this project also includes modifications to existing signage and markings and provides power and communications duct banks to service the new Runway Status Lights Building per Memorandum of Agreement (MOA) with the FAA; and

WHEREAS, the Request for Bids for this project was advertised on May 3, 2017; and

WHEREAS, on June 2, 2017, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the low bidder, Granite Construction Company, submitted a bid in the amount of $5,598,909; and

WHEREAS, Authority's staff has duly considered Granite Construction Company's bid, and has determined Granite Construction Company, is responsible and that its bid is responsive in all respects; and

WHEREAS, the Board believes that it is in the best interest of the Authority and the public that it serves, for the Board to award Granite Construction Company, the contract for Project No. 104129, Clear OFA Taxiway B, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Granite Construction Company, in the amount of $5,598,909 for Project No. 104129, Clear Object Free Area (OFA) Taxiway B at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to Granite Construction Company; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employee, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED that the Board finds that this Board action is not a "project" that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended, 14 Cal. Code Regs. Section 15378; and is a class of project that is a categorical exemption according to Pub. Res. Section 15301 – Class 1- Existing Facilities and; Section 15302 – Class 2 Replacement or reconstruction; and Section 15304 – Class 4 - Minor Alterations to Land, and is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____
TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

____
AMY GONZALEZ
GENERAL COUNSEL

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
14

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Discussion and Possible Action Regarding Arts Program Policy 8.50, Section 1(g) Gifts and Loans of Artwork

Recommendation:

Staff recommends that no amendments be made to Authority Policy 8.50 at this time.

Background/Justification:

On September 7, 2016, the Authority's Art Advisory Committee (AAC) reviewed a proposed artwork donation of a bronze statue of William Theodore "Bill" Walton III. In accordance with Policy 8.50, the AAC contemplated and discussed the artwork's relevance to the Public Art Collection, the appropriateness of the artwork to the airport site, the potential cost for delivery, site preparation, installation, and maintenance, and any special restrictions or considerations required by the donor regarding the artwork. After carefully weighing these factors, the AAC unanimously agreed to decline the donation. Also in accordance with Airport Authority Policy 8.50, former President/CEO Thella Bowens reviewed the AAC's recommendation in order to make the final determination regarding the donation. She ultimately concurred and declined to accept the artwork into the Public Art Collection, but did extend an offer to temporarily display the artwork on Airport grounds.

Following the events described above, the Board requested a review of Authority Policy 8.50, which governs administration and procedures of the Arts Program. Arts Program staff presented on the subject in detail at the April 6, 2017 Board meeting. The presentation provided an overview of the many accomplishments of the Arts Program to date and the reputation it has garnered as a leader in the field of cultural programming, and demonstrated that those successes have been enabled by a clearly written policy, and preceding master plan from which the policy was derived.

Staff also shared the results of an informal survey benchmarking Authority policies with comparable national and international governmental agencies and airports. This survey demonstrated that the Authority's policy regarding loans and donations of artwork is consistent with best practices in the field. In the large majority of those institutions surveyed, decision-making power regarding artwork loans and donations resides with subject-matter experts or art and design professionals such as a standing art advisory committee.

Lastly, staff updated the Board on the master planning process scheduled to begin in 2017 in conjunction with the Airport Development Plan (ADP) under the direction of an Arts Master Planning consultant and with the extensive, collected input of both internal and external stakeholders. Staff explained that as part of this master planning process, Policy 8.50 would undergo an in-depth assessment and be updated as needed in order to ensure keeping with industry best practices.

Members of the Board have requested that the Authority Policy 8.50 be amended to allow the Board to review and ultimately endorse or overturn the decision made by the President/CEO regarding loans and donations of artwork. If the Board elects to institute such a change, it would be a departure from the manner in which Board policies are currently written. Specifically, policies are written to vest either the Board or the President/CEO with certain powers. A clear division of such responsibilities is essential to the efficiency and transparency of Authority operations. Such a shift would result in the Board assuming responsibility for a decision previously assigned to staff and represents a new precedent at the Authority.

The result of the requested change to Policy 8.50 will compromise the high artistic standards of the Public Art Collection, inhibit staff's ability to manage the site-specific, integrated projects that are at the core of the Arts Program's mission, diminish the role of the AAC, further constrain the limited space on airport grounds, may increase the quantity of proposed donations, and result in a loss of cohesion of the Public Art Collection.

It is staff's recommendation therefore, that no revisions to Authority Policy 8.50 occur at this time and that the policy be evaluated holistically through the master planning process which commenced in May 2017.

Fiscal Impact:

No fiscal impact.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy ☒ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☐ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

LAUREN LOCKHART
ART PROGRAM MANAGER

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Award a Contract to Granite Construction Company for Rehabilitate Runway 9-27 and Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6 at San Diego International Airport

Recommendation:

Adopt Resolution No. 2017-0064, awarding a contract to Granite Construction Company in the amount of $22,839,002.50 for Project No. 104219, Rehabilitate Runway 9-27 and Project No. 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6 at San Diego International Airport.

Background/Justification:

Projects 104219, Rehabilitate Runway 9-27 and 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6, are San Diego County Regional Airport Authority ("Authority") Board ("Board") approved projects in the FY2018 Capital Improvement Program ("CIP").

In 2015 the Authority conducted a comprehensive Pavement Maintenance/Management Study on the airside which included Runway 9-27 ("Runway") and Cross Taxiways B1, B4-B7, C3, C4 and C6 ("Cross Taxiways"). The result of the study revealed that Runway 9-27 is in fair condition, the Cross Taxiways are in poor to fair condition, and the resurfacing of both by 2018 is recommended. As such, Authority Staff ("Staff") proposes two projects, Project 104219, Rehabilitate Runway 9-27 and Project 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6.

Project 104219 will provide for rehabilitation of the airfield asphalt on Runway 9-27 which includes milling and replacing the top three inches of the approximately 9,400 x 200 ft. pavement surface, striping, marking, and related work. (Attachment A)

Also, included in this project is the replacement of the electrical Runway Lighting System from incandescent to LED which is included in the 20 Year CIP. Per Federal Aviation Administration (FAA) request, this project also includes the upgrade of the Runway Status Lighting (RWSL) system. Initially the RWSL was installed by the FAA as a prototype and has since been adopted by the FAA, who has requested to upgrade their system to the latest RWSL system. The RWSL system will provide the additional safety factor for aircrafts navigating the airfield. The installation of this facility is included under a Reimbursable Agreement with FAA [Resolution No. 2017-0041].

Project 104220 will provide for rehabilitation of the cross taxiways B1, B4-B7, C3, C4 and C6, including approximately 449,882 sq. ft., of milling and overlay to full depth and replacement of asphalt pavement surface, adjustment of electrical runway and taxiway lights and appurtenances, striping, marking, and related work. The existing asphalt pavement at Taxiway B1 will be replaced with concrete pavement to minimize pavement shoving by aircraft stopping and turning onto Runway 9-27. The alignment of Taxiway

C6 will be adjusted to allow Airplane Design Group (ADG) V aircraft to navigate safely through the taxiway. Edge lighting and markings are adjusted at Taxiways B1, C1, and C6 to comply with updated FAA requirements. (Attachment A)

This contract was advertised on April 3, 2017, and sealed bids were opened on May 17, 2017. The following bids were received: (Attachment B)

Company	Total Bid
Granite Construction Company	22,839,002.50
Coffman Specialties, Inc.	24,646,100.00
Flatiron West, Inc.	27,341,381.50

The Engineer's estimate is $39,470,658.36

The low bid of $22,839,002.50, is responsive, and Granite Construction Company is considered responsible. Staff recommends award to Granite Construction Company in the amount of $22,839,002.50.

Fiscal Impact:

Adequate funds for Rehabilitate Runway 9-27 and 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6 are included within the Board approved FY2018-FY2023 Capital Program Budget in Project No. 104129 and Project No. 104220. Source of funding for this project includes Airport Improvement Program, Passenger Facility Charges, and Bonds.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

A. CEQA: This project is consistent with Categorical Exemption 15302 – Replacement or Reconstruction – Class 2 and consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to: (c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

The Authority's DBE Program, as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 26, calls for the Authority to submit a triennial overall goal for DBE participation on all federally funded projects. When federal funds are utilized, the Authority is prohibited from using a program that provides a preference such as those used in Policies 5.12 and 5.14. Therefore, the Authority must utilize other means as provided in the DBE Plan to achieve participation.

This project utilizes federal funds; therefore, it will be applied toward the Authority's overall DBE goal. Granite Construction Company proposed 4.41% DBE participation on Rehabilitate Runway 9-27 and Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6.

Prepared by:

IRAJ GHAEMI
DIRECTOR, FACILITIES DEVELOPMENT

ATTACHMENT A

SAN DIEGO INTERNATIONAL AIRPORT
CIP 104219 REHABILITATE RUNWAY 9-27 AND CIP 104220 REHABILITATE CROSS TAXIWAYS B1, B4-B7, C3, C4 & C6

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6** **CIP Number:** **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
ENGINEER'S ESTIMATE:			**$ 39,470,658.36**	**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
GUARANTEE OF GOOD FAITH:						Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
Bid Schedule A - General											
1	Allowance for Permits and Fees (Excludes Dewatering and Disposal)	1	ALLOWANCE	$ 110,000.00	$ 110,000.00	$ 110,000.00	$ 110,000.00	$ 110,000.00	$ 110,000.00	$ 110,000.00	$ 110,000.00
2	Allowance for Environmental Procedures	1	ALLOWANCE	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00	$ 50,000.00
3	Allowance for Unforeseen and Miscellaneous Conditions	1	ALLOWANCE	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00	$ 140,000.00
4	Allowance for Baseline Critical path Method Schedule	1	ALLOWANCE	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
5	Allowance for Submittal of Monthly Updates of the Project Schedule and Weekly Updates	1	ALLOWANCE	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00	$ 24,000.00
6	Allowance for Furnish and Install Perimeter Intrusion Detection System - Complete	1	ALLOWANCE	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00	$ 20,000.00
7	Video Monitoring and Documentation	1	LS	$ 148,200.00	$ 148,200.00	$ 105,000.00	$ 105,000.00	$ 100,000.00	$ 100,000.00	$ 105,000.00	$ 105,000.00
8	Mobilization/Demobilization	1	LS	$ 3,268,912.00	$ 3,268,912.00	$ 800,000.00	$ 800,000.00	$ 650,000.00	$ 650,000.00	$ 210,000.00	$ 210,000.00
9	Removal of Type I AOA Fence	550	LF	$ 75.00	$ 41,250.00	$ 15.00	$ 8,250.00	$ 30.00	$ 16,500.00	$ 11.00	$ 6,050.00
10	Airfield Construction Area Control	1	LS	$ 1,112,500.00	$ 1,112,500.00	$ 3,832,832.00	$ 3,832,832.00	$ 720,754.00	$ 720,754.00	$ 3,750,000.00	$ 3,750,000.00
11	Temporary Stabilized Construction Entrance/Exit	2	EA	$ 5,000.00	$ 10,000.00	$ 6,500.00	$ 13,000.00	$ 2,500.00	$ 5,000.00	$ 6,000.00	$ 12,000.00
12	Temporary Erosion/Sediment Control – Scheduling	52	WEEK	$ 1,750.00	$ 91,000.00	$ 100.00	$ 5,200.00	$ 1,000.00	$ 52,000.00	$ 40.00	$ 2,080.00
13	Street Sweeping	358	DAY	$ 1,250.00	$ 447,500.00	$ 155.00	$ 55,490.00	$ 900.00	$ 322,200.00	$ 1,450.00	$ 519,100.00
14	Furnish and Install Type I Chain Link Security Fence	500	LF	$ 95.00	$ 47,500.00	$ 70.00	$ 35,000.00	$ 85.00	$ 42,500.00	$ 65.00	$ 32,500.00
15	Furnish and Install Type II Chain Link Security Fence	510	LF	$ 135.00	$ 68,850.00	$ 145.00	$ 73,950.00	$ 150.00	$ 76,500.00	$ 135.00	$ 68,850.00
Total for Bid Schedule A					**$ 5,589,712.00**		**$ 5,282,722.00**		**$ 2,339,454.00**		**$ 5,059,580.00**
Bid Schedule B - Runway Base Bid											
1	Allowance for Waste and Soil Disposal Fees	1	ALLOWANCE	$ 1,100,000.00	$ 1,100,000.00	$ 1,100,000.00	$ 1,100,000.00	$ 1,100.00	$ 1,100.00	$ 1,100.00	$ 1,100.00
2	Paint Removal	257,205	SF	$ 3.30	$ 848,776.50	$ 1.30	$ 334,366.50	$ 1.60	$ 411,528.00	$ 1.20	$ 308,646.00
3	Cold Milling, 3"	199,995	SY	$ 24.81	$ 4,960,875.98	$ 11.00	$ 2,199,945.00	$ 24.00	$ 4,799,880.00	$ 6.75	$ 1,349,966.25
4	SWPPP Implementation and Maintenance	1	LS	$ 38,500.00	$ 38,500.00	$ 50,000.00	$ 50,000.00	$ 10,000.00	$ 10,000.00	$ 30,000.00	$ 30,000.00
5	HMA Surface Course	35,343	TON	$ 258.50	$ 9,136,165.50	$ 120.00	$ 4,241,160.00	$ 145.00	$ 5,124,735.00	$ 218.00	$ 7,704,774.00
6	Runway and Taxiway Painting with Reflective Beads	347,550	SF	$ 6.22	$ 2,160,023.25	$ 1.10	$ 382,305.00	$ 1.00	$ 347,550.00	$ 1.10	$ 382,305.00
7	Runway and Taxiway Painting without Reflective Beads	51,450	SF	$ 4.68	$ 240,528.75	$ 0.80	$ 41,160.00	$ 0.70	$ 36,015.00	$ 0.75	$ 38,587.50
8	Electrical Identification Marking	666	EA	$ 82.50	$ 54,945.00	$ 150.00	$ 99,900.00	$ 140.00	$ 93,240.00	$ 155.00	$ 103,230.00
9	Saw-Cut Grooving	174,000	SY	$ 0.99	$ 172,260.00	$ 4.50	$ 783,000.00	$ 4.20	$ 730,800.00	$ 4.80	$ 835,200.00
10	L-868-B (12" Dia), Class 1, Load Bearing Concrete Encased Junction Can (In full strength pavement) Top Section Adjustment	557	EA	$ 1,402.50	$ 781,192.50	$ 1,000.00	$ 557,000.00	$ 1,500.00	$ 835,500.00	$ 985.00	$ 548,645.00
11	Remove Existing Elevated L-862 Fixture and Furnish and Install New L-862(L) Elevated Runway Edge, Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	73	EA	$ 2,255.00	$ 164,615.00	$ 1,100.00	$ 80,300.00	$ 1,500.00	$ 109,500.00	$ 1,000.00	$ 73,000.00
12	Remove Existing Elevated L-862E Fixture and Furnish and Install New L-862E(L) Elevated Runway Threshold, Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	24	EA	$ 2,255.00	$ 54,120.00	$ 1,200.00	$ 28,800.00	$ 2,000.00	$ 48,000.00	$ 1,100.00	$ 26,400.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
13	Remove Existing L-850A Fixture and Furnish and Install New 8" L-850A(L) In-pavement Runway Centerline Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	186	EA	$ 3,877.50	$ 721,215.00	$ 1,300.00	$ 241,800.00	$ 2,000.00	$ 372,000.00	$ 1,200.00	$ 223,200.00
14	Remove Existing L-850B Fixture and Furnish and Install New 8" L-850B(L) In-pavement Touchdown Zone Uni-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	360	EA	$ 2,843.50	$ 1,023,660.00	$ 1,200.00	$ 432,000.00	$ 2,000.00	$ 720,000.00	$ 1,100.00	$ 396,000.00
15	Remove Existing In-pavement L-850C Fixture and Furnish and Install New 8" L-850C(L) In-pavement Runway Edge, Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	12	EA	$ 2,255.00	$ 27,060.00	$ 1,900.00	$ 22,800.00	$ 2,500.00	$ 30,000.00	$ 1,800.00	$ 21,600.00
16	Remove Existing In-pavement L-850D Fixture and Furnish and Install New 8" L-850D(L) In-pavement Runway Threshold Bi-Directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	8	EA	$ 2,843.50	$ 22,748.00	$ 3,000.00	$ 24,000.00	$ 3,500.00	$ 28,000.00	$ 2,800.00	$ 22,400.00
17	Install New Steel Cover on Existing Base	24	EA	$ 550.00	$ 13,200.00	$ 220.00	$ 5,280.00	$ 400.00	$ 9,600.00	$ 220.00	$ 5,280.00
18	Spacer Rings	1	LS	$ 55,000.00	$ 55,000.00	$ 18,000.00	$ 18,000.00	$ 25,000.00	$ 25,000.00	$ 16,500.00	$ 16,500.00
19	Install New L-823 Connector Kits on New Runway Edge Lights After Final Light Replacement has Occurred	98	EA	$ 465.14	$ 45,583.23	$ 90.00	$ 8,820.00	$ 150.00	$ 14,700.00	$ 82.00	$ 8,036.00
20	Electrical Demolition - Runway Scope	1	LS	$ 313,500.00	$ 313,500.00	$ 24,000.00	$ 24,000.00	$ 100,000.00	$ 100,000.00	$ 44,000.00	$ 44,000.00
21	Temporary Battery Powered Elevated Runway Edge Lights, LED	10	EA	$ 11,000.00	$ 110,000.00	$ 3,000.00	$ 30,000.00	$ 2,500.00	$ 25,000.00	$ 2,700.00	$ 27,000.00
22	13.5" Core Prior to Removal of Top Section of Base Can in Existing Asphalt Pavement	557	EA	$ 545.55	$ 303,868.57	$ 80.00	$ 44,560.00	$ 200.00	$ 111,400.00	$ 170.00	$ 94,690.00
Total for Bid Schedule B					**$ 22,347,837.27**		**$ 10,749,196.50**		**$ 13,983,548.00**		**$ 12,260,559.75**

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6** **CIP Number:** **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	ENGINEER'S ESTIMATE UNIT PRICE (In Figures)	ENGINEER'S ESTIMATE TOTAL (In Figures)	1 Granite Construction Company UNIT PRICE (In Figures)	1 Granite Construction Company TOTAL (In Figures)	2 Coffman Specialties, Inc. UNIT PRICE (In Figures)	2 Coffman Specialties, Inc. TOTAL (In Figures)	3 Flatiron West, Inc. UNIT PRICE (In Figures)	3 Flatiron West, Inc. TOTAL (In Figures)
	ENGINEER'S ESTIMATE:	$ 39,470,658.36				5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
Bid Schedule C - Cross Taxiways Base Bid											
1	Allowance for Dewatering Discharge Fees	1	ALLOWANCE	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00
2	Allowance for Waste and Soil Disposal Fees	1	ALLOWANCE	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00
3	Allowance for Construction of Temporary Ramps	1	ALLOWANCE	$ 730,000.00	$ 730,000.00	$ 730,000.00	$ 730,000.00	$ 730,000.00	$ 730,000.00	$ 730,000.00	$ 730,000.00
4	Full Strength Pavement Removal (Asphalt Overlay Over Concrete Pavement)	3,595	SY	$ 72.44	$ 260,403.83	$ 63.00	$ 226,485.00	$ 50.00	$ 179,750.00	$ 85.00	$ 305,575.00
5	Shoulder Pavement Removal (Bituminous Concrete)	1,520	SY	$ 54.84	$ 83,349.20	$ 8.00	$ 12,160.00	$ 10.00	$ 15,200.00	$ 10.00	$ 15,200.00
6	Infield Pavement Removal (Bituminous Concrete)	1,085	SY	$ 31.74	$ 34,432.48	$ 9.00	$ 9,765.00	$ 10.00	$ 10,850.00	$ 12.00	$ 13,020.00
7	Paint Removal	36,280	SF	$ 3.30	$ 119,724.00	$ 1.25	$ 45,350.00	$ 1.40	$ 50,792.00	$ 1.20	$ 43,536.00
8	Cold Milling, 5"	17,915	SY	$ 35.81	$ 641,446.58	$ 7.50	$ 134,362.50	$ 20.00	$ 358,300.00	$ 6.20	$ 111,073.00
9	Cold Milling, 6"	10,815	SY	$ 38.01	$ 411,024.08	$ 8.00	$ 86,520.00	$ 25.00	$ 270,375.00	$ 8.40	$ 90,846.00
10	Cold Milling, Full Depth	745	SY	$ 55.00	$ 40,975.00	$ 10.00	$ 7,450.00	$ 25.00	$ 18,625.00	$ 27.00	$ 20,115.00
11	Dewatering Equipment	1	LS	$ 35,000.00	$ 35,000.00	$ 4,000.00	$ 4,000.00	$ 10,000.00	$ 10,000.00	$ 11,000.00	$ 11,000.00
12	PVC Dewatering Well	2	EA	$ 17,050.00	$ 34,100.00	$ 2,500.00	$ 5,000.00	$ 5,000.00	$ 10,000.00	$ 100.00	$ 200.00
13	Unclassified Excavation	3,680	CY	$ 55.00	$ 202,400.00	$ 40.00	$ 147,200.00	$ 80.00	$ 294,400.00	$ 205.00	$ 754,400.00
14	Over-Excavation	300	CY	$ 55.00	$ 16,500.00	$ 40.00	$ 12,000.00	$ 100.00	$ 30,000.00	$ 140.00	$ 42,000.00
15	Rock Stabilization	300	CY	$ 94.44	$ 28,330.50	$ 60.00	$ 18,000.00	$ 110.00	$ 33,000.00	$ 155.00	$ 46,500.00
16	Ground Stabilization Geogrid	200	SY	$ 4.24	$ 847.00	$ 8.00	$ 1,600.00	$ 7.00	$ 1,400.00	$ 9.00	$ 1,800.00
17	SWPPP Implementation and Maintenance	1	LS	$ 93,500.00	$ 93,500.00	$ 50,000.00	$ 50,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00	$ 10,000.00
18	Storm Drain Inlet Protection	4	EA	$ 1,650.00	$ 6,600.00	$ 1,000.00	$ 4,000.00	$ 250.00	$ 1,000.00	$ 300.00	$ 1,200.00
19	Concrete Washout	2	EA	$ 3,135.00	$ 6,270.00	$ 1,000.00	$ 2,000.00	$ 500.00	$ 1,000.00	$ 10,000.00	$ 20,000.00
20	Crushed Aggregate Base Course, 9"	635	SY	$ 25.25	$ 16,030.58	$ 30.00	$ 19,050.00	$ 50.00	$ 31,750.00	$ 47.00	$ 29,845.00
21	Crushed Aggregate Base Course, 10"	3,730	SY	$ 28.55	$ 106,472.85	$ 35.00	$ 130,550.00	$ 50.00	$ 186,500.00	$ 53.00	$ 197,690.00
22	Crushed Aggregate Base Course, 6"	335	SY	$ 23.05	$ 7,720.08	$ 20.00	$ 6,700.00	$ 75.00	$ 25,125.00	$ 39.00	$ 13,065.00
23	Crushed Aggregate Base Course, 13"	1,820	SY	$ 39.55	$ 71,971.90	$ 42.00	$ 76,440.00	$ 75.00	$ 136,500.00	$ 64.00	$ 116,480.00
24	Lean Concrete Base Course, 8"	335	SY	$ 50.55	$ 16,932.58	$ 85.00	$ 28,475.00	$ 175.00	$ 58,625.00	$ 175.00	$ 58,625.00
25	HMA Surface Course	9,465	TON	$ 258.50	$ 2,446,702.50	$ 180.00	$ 1,703,700.00	$ 160.00	$ 1,514,400.00	$ 257.00	$ 2,432,505.00
26	HMA Surface Course, Shoulder Pavement	400	TON	$ 247.50	$ 99,000.00	$ 210.00	$ 84,000.00	$ 200.00	$ 80,000.00	$ 274.00	$ 109,600.00
27	Portland Cement Concrete Pavement, 17"	85	SY	$ 423.50	$ 35,997.50	$ 200.00	$ 17,000.00	$ 450.00	$ 38,250.00	$ 466.00	$ 39,610.00
28	Portland Cement Concrete Pavement, 19.5"	2,730	SY	$ 467.50	$ 1,276,275.00	$ 200.00	$ 546,000.00	$ 500.00	$ 1,365,000.00	$ 588.00	$ 1,605,240.00
29	Reinforced Portland Cement Concrete Pavement, 17"	245	SY	$ 445.50	$ 109,147.50	$ 210.00	$ 51,450.00	$ 450.00	$ 110,250.00	$ 495.00	$ 121,275.00
30	Reinforced Portland Cement Concrete Pavement, 19.5"	870	SY	$ 489.50	$ 425,865.00	$ 220.00	$ 191,400.00	$ 500.00	$ 435,000.00	$ 655.00	$ 569,850.00
31	Temporary Runway and Taxiway Painting	22,500	SF	$ 4.68	$ 105,187.50	$ 1.20	$ 27,000.00	$ 1.10	$ 24,750.00	$ 1.20	$ 27,000.00
32	Runway and Taxiway Painting with Reflective Beads	23,305	SF	$ 6.22	$ 144,840.58	$ 1.10	$ 25,635.50	$ 1.00	$ 23,305.00	$ 1.10	$ 25,635.50
33	Runway and Taxiway Painting without Reflective Beads	117,945	SF	$ 4.68	$ 551,392.88	$ 0.80	$ 94,356.00	$ 0.80	$ 94,356.00	$ 0.75	$ 88,458.75
34	Electrical Identification Marking	84	EA	$ 82.50	$ 6,930.00	$ 230.00	$ 19,320.00	$ 200.00	$ 16,800.00	$ 220.00	$ 18,480.00
35	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, BLACK	4,950	LF	$ 13.31	$ 65,884.50	$ 3.65	$ 18,067.50	$ 3.00	$ 14,850.00	$ 3.30	$ 16,335.00
36	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, RED	5,900	LF	$ 13.31	$ 78,529.00	$ 4.25	$ 25,075.00	$ 3.50	$ 20,650.00	$ 3.80	$ 22,420.00
37	No. 6 AWG, Solid, Bare Counterpoise Wire, Installed in Trench, Above the Duct Bank or Conduit, Including Ground Rods and Ground Connectors	6,100	LF	$ 24.04	$ 146,613.50	$ 3.65	$ 22,265.00	$ 3.00	$ 18,300.00	$ 7.00	$ 42,700.00
38	3/4" x 10' Copper Clad Ground Rod for Grounding (Extra)	98	EA	$ 825.00	$ 80,850.00	$ 85.00	$ 8,330.00	$ 70.00	$ 6,860.00	$ 195.00	$ 19,110.00
39	#1/0 AWG Guard Wire, Stranded Base	675	LF	$ 10.00	$ 6,750.00	$ 5.00	$ 3,375.00	$ 4.00	$ 2,700.00	$ 6.50	$ 4,387.50
40	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Paved Shoulder	575	LF	$ 105.55	$ 60,688.38	$ 50.00	$ 28,750.00	$ 40.00	$ 23,000.00	$ 52.00	$ 29,900.00

Doc. No. 00410-1
Rev. 10-18-2016

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
41	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Full-Strength Pavement	625	LF	$ 105.55	$ 65,965.63	$ 61.00	$ 38,125.00	$ 50.00	$ 31,250.00	$ 72.00	$ 45,000.00
42	1-way, 2" PVC SCH 40 Conduit, Direct-Buried - In 6" saw kerf trench	1,300	LF	$ 39.11	$ 50,836.50	$ 50.00	$ 65,000.00	$ 40.00	$ 52,000.00	$ 55.00	$ 71,500.00
43	4-way, 4" & 4 way, 2" PVC SCH 40 Concrete Encased Conduit - In Full Strength Pavement (Under B1)	475	LF	$ 313.50	$ 148,912.50	$ 98.00	$ 46,550.00	$ 100.00	$ 47,500.00	$ 170.00	$ 80,750.00
44	1-way, 2" RGS Conduit, In 4" wide 8" deep saw kerf trench	2,925	LF	$ 25.14	$ 73,519.88	$ 85.00	$ 248,625.00	$ 100.00	$ 292,500.00	$ 65.00	$ 190,125.00
45	1-way, 2" Galvanized Interlocking Armored HDPE Duct w/ 1/0 base copper guard wire installed via Directional Drill	400	LF	$ 42.35	$ 16,940.00	$ 50.00	$ 20,000.00	$ 40.00	$ 16,000.00	$ 88.00	$ 35,200.00
46	Aircraft Rated Electrical Handhole, 4'x4'	5	EA	$ 13,750.00	$ 68,750.00	$ 14,000.00	$ 70,000.00	$ 12,000.00	$ 60,000.00	$ 15,000.00	$ 75,000.00
47	L-868-B (12" Dia), Class 1, Load Bearing Concrete Encased Junction Can (In full strength pavement) Top Section Adjustment	43	EA	$ 1,402.50	$ 60,307.50	$ 1,000.00	$ 43,000.00	$ 830.00	$ 35,690.00	$ 900.00	$ 38,700.00
48	Junction Can Plaza (Size as Shown on Plans)	1	EA	$ 13,444.20	$ 13,444.20	$ 7,500.00	$ 7,500.00	$ 6,000.00	$ 6,000.00	$ 8,700.00	$ 8,700.00
49	Temporary Airfield Lighting Cable / Circuiting	1	LS	$ 17,325.00	$ 17,325.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 5,500.00	$ 5,500.00
50	Site Locating, Duct Tracing and Pot Holing	1	LS	$ 5,500.00	$ 5,500.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 76,400.00	$ 76,400.00
51	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in New Asphalt Pavement	7	EA	$ 6,143.50	$ 43,004.50	$ 1,800.00	$ 12,600.00	$ 2,000.00	$ 14,000.00	$ 2,200.00	$ 15,400.00
52	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Cored into Existing Concrete Pavement	30	EA	$ 6,143.50	$ 184,305.00	$ 2,200.00	$ 66,000.00	$ 2,200.00	$ 66,000.00	$ 2,400.00	$ 72,000.00
53	Installation of New LED Elevated Taxiway Edge Light L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in Existing Concrete Pavement	13	EA	$ 6,473.50	$ 84,155.50	$ 2,400.00	$ 31,200.00	$ 2,000.00	$ 26,000.00	$ 2,200.00	$ 28,600.00
54	Installation of New In-Pavement Runway Edge Light, L-850C, New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	13	EA	$ 5,813.50	$ 75,575.50	$ 3,600.00	$ 46,800.00	$ 3,000.00	$ 39,000.00	$ 3,300.00	$ 42,900.00
55	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Installed in New Asphalt Pavement	1	EA	$ 5,813.50	$ 5,813.50	$ 1,800.00	$ 1,800.00	$ 1,500.00	$ 1,500.00	$ 1,650.00	$ 1,650.00
56	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Cored in Existing Concrete Pavement	4	EA	$ 6,077.50	$ 24,310.00	$ 2,200.00	$ 8,800.00	$ 1,800.00	$ 7,200.00	$ 2,000.00	$ 8,000.00
57	Re-Installation of Existing LED Taxiway Centerline Light, L-852A/B (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B Cored into Existing Pavement	10	EA	$ 6,913.50	$ 69,135.00	$ 3,000.00	$ 30,000.00	$ 2,500.00	$ 25,000.00	$ 2,700.00	$ 27,000.00
58	Installation of Steel Plate at Location of Future Runway Status Light, on New 12" Diameter, Galvanized, Load Bearing Light Base, L-868B Installed in New Concrete Pavement	7	EA	$ 5,813.50	$ 40,694.50	$ 2,700.00	$ 18,900.00	$ 3,500.00	$ 24,500.00	$ 3,800.00	$ 26,600.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
59	Installation of Steel Plate at Location of Future Runway Status Light, on Existing Base with Adjusted Top Section to Meet Final Grade	5	EA	$ 1,375.00	$ 6,875.00	$ 1,200.00	$ 6,000.00	$ 1,000.00	$ 5,000.00	$ 1,100.00	$ 5,500.00
60	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Concrete Pavement	3	EA	$ 6,913.50	$ 20,740.50	$ 2,700.00	$ 8,100.00	$ 2,200.00	$ 6,600.00	$ 2,400.00	$ 7,200.00
61	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Asphalt Pavement	6	EA	$ 6,913.50	$ 41,481.00	$ 2,400.00	$ 14,400.00	$ 2,000.00	$ 12,000.00	$ 2,200.00	$ 13,200.00
62	Re-Installation of Existing In-Pavement Runway Guard Light, L-852G, New Isolation Transformer, L-830, On New L-868, Load-Bearing, Shallow Can in Existing Concrete Pavement	2	EA	$ 6,913.50	$ 13,827.00	$ 2,700.00	$ 5,400.00	$ 2,200.00	$ 4,400.00	$ 2,400.00	$ 4,800.00
63	Re-Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, On New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B in New Concrete Pavement	4	EA	$ 6,913.50	$ 27,654.00	$ 4,300.00	$ 17,200.00	$ 3,500.00	$ 14,000.00	$ 3,800.00	$ 15,200.00
64	Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	12	EA	$ 5,813.50	$ 69,762.00	$ 2,400.00	$ 28,800.00	$ 2,000.00	$ 24,000.00	$ 2,200.00	$ 26,400.00
65	Re-Installation of Existing LED Guidance Sign, L-858 (L), New Isolation Transformer, L-830, on New Foundation	3	EA	$ 6,473.50	$ 19,420.50	$ 3,600.00	$ 10,800.00	$ 3,000.00	$ 9,000.00	$ 3,300.00	$ 9,900.00
66	Mount Existing LED Guidance Sign, L-858 (L), on Existing Pavement Surface, with New Isolation Transformer, and New Base Can Cored into Existing Pavement	6	EA	$ 6,473.50	$ 38,841.00	$ 3,600.00	$ 21,600.00	$ 3,000.00	$ 18,000.00	$ 3,300.00	$ 19,800.00
67	Remove Existing Elevated L-862 Fixture and Furnish and Install New L-862(L) Elevated Runway Edge, Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	1	EA	$ 2,255.00	$ 2,255.00	$ 1,100.00	$ 1,100.00	$ 900.00	$ 900.00	$ 985.00	$ 985.00
68	L-853 Reflectors Installed on Existing Pavement	5	EA	$ 300.00	$ 1,500.00	$ 145.00	$ 725.00	$ 120.00	$ 600.00	$ 130.00	$ 650.00
69	Install New Steel Cover on Existing Base	84	EA	$ 550.00	$ 46,200.00	$ 145.00	$ 12,180.00	$ 120.00	$ 10,080.00	$ 130.00	$ 10,920.00
70	Electrical Demolition - Taxiway Scope	1	LS	$ 61,473.50	$ 61,473.50	$ 12,000.00	$ 12,000.00	$ 10,000.00	$ 10,000.00	$ 10,900.00	$ 10,900.00
71	Install New L-868B Base Can In Full Strength Concrete Pavement. Furnish and Install New Steel Plate.	2	EA	$ 5,813.50	$ 11,627.00	$ 2,500.00	$ 5,000.00	$ 2,000.00	$ 4,000.00	$ 2,200.00	$ 4,400.00
72	Temporary Battery Powered Elevated Runway Edge Lights, Incandescent	10	EA	$ 11,000.00	$ 110,000.00	$ 3,000.00	$ 30,000.00	$ 2,500.00	$ 25,000.00	$ 2,700.00	$ 27,000.00
73	13.5" Core Prior to Removal of Top Section of Base Can in Existing Asphalt Pavement	43	EA	$ 545.55	$ 23,458.44	$ 120.00	$ 5,160.00	$ 100.00	$ 4,300.00	$ 190.00	$ 8,170.00
Total for Bid Schedule C					**$ 11,003,259.09**		**$ 6,423,361.50**		**$ 8,008,648.00**		**$ 9,673,691.75**

Bid Schedule D - Cross Taxiways Alternate 1											
1	Allowance for Dewatering Discharge Fees	1	ALLOWANCE	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00
2	Allowance for Waste and Soil Disposal Fees	1	ALLOWANCE	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00
3	Allowance for Construction of Temporary Ramps	1	ALLOWANCE	$ 950,000.00	$ 950,000.00	$ 950,000.00	$ 950,000.00	$ 950,000.00	$ 950,000.00	$ 950,000.00	$ 950,000.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
		GUARANTEE OF GOOD FAITH:				Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
4	Full Strength Pavement Removal (Asphalt Overlay Over Concrete Pavement)	5,225	SY	$ 72.44	$ 378,472.88	$ 68.00	$ 355,300.00	$ 50.00	$ 261,250.00	$ 85.00	$ 444,125.00
5	Shoulder Pavement Removal (Bituminous Concrete)	1,520	SY	$ 54.84	$ 83,349.20	$ 9.00	$ 13,680.00	$ 10.00	$ 15,200.00	$ 11.00	$ 16,720.00
6	Infield Pavement Removal (Bituminous Concrete)	1,085	SY	$ 31.74	$ 34,432.48	$ 9.00	$ 9,765.00	$ 10.00	$ 10,850.00	$ 13.00	$ 14,105.00
7	Paint Removal	36,280	SF	$ 3.30	$ 119,724.00	$ 1.30	$ 47,164.00	$ 1.40	$ 50,792.00	$ 1.25	$ 45,350.00
8	Cold Milling, 5"	17,915	SY	$ 35.81	$ 641,446.58	$ 8.00	$ 143,320.00	$ 20.00	$ 358,300.00	$ 6.50	$ 116,447.50
9	Cold Milling, 6"	8,660	SY	$ 38.01	$ 329,123.30	$ 9.00	$ 77,940.00	$ 25.00	$ 216,500.00	$ 9.50	$ 82,270.00
10	Cold Milling, Full Depth	1,000	SY	$ 55.00	$ 55,000.00	$ 13.00	$ 13,000.00	$ 25.00	$ 25,000.00	$ 30.00	$ 30,000.00
11	Dewatering Equipment	1	LS	$ 165,000.00	$ 165,000.00	$ 4,000.00	$ 4,000.00	$ 10,000.00	$ 10,000.00	$ 11,400.00	$ 11,400.00
12	PVC Dewatering Well	2	EA	$ 17,050.00	$ 34,100.00	$ 2,500.00	$ 5,000.00	$ 5,000.00	$ 10,000.00	$ 1.25	$ 2.50
13	Unclassified Excavation	4,350	CY	$ 55.00	$ 239,250.00	$ 32.00	$ 139,200.00	$ 80.00	$ 348,000.00	$ 210.00	$ 913,500.00
14	Over-Excavation	300	CY	$ 55.00	$ 16,500.00	$ 44.00	$ 13,200.00	$ 100.00	$ 30,000.00	$ 150.00	$ 45,000.00
15	Rock Stabilization	300	CY	$ 94.44	$ 28,330.50	$ 70.00	$ 21,000.00	$ 110.00	$ 33,000.00	$ 160.00	$ 48,000.00
16	Ground Stabilization Geogrid	250	SY	$ 4.24	$ 1,058.75	$ 9.00	$ 2,250.00	$ 7.00	$ 1,750.00	$ 7.00	$ 1,750.00
17	SWPPP Implementation and Maintenance	1	LS	$ 93,500.00	$ 93,500.00	$ 45,000.00	$ 45,000.00	$ 10,000.00	$ 10,000.00	$ 9,200.00	$ 9,200.00
18	Storm Drain Inlet Protection	4	EA	$ 1,650.00	$ 6,600.00	$ 1,000.00	$ 4,000.00	$ 250.00	$ 1,000.00	$ 315.00	$ 1,260.00
19	Concrete Washout	2	EA	$ 3,135.00	$ 6,270.00	$ 1,000.00	$ 2,000.00	$ 7,500.00	$ 15,000.00	$ 13,000.00	$ 26,000.00
20	Crushed Aggregate Base Course, 10"	6,090	SY	$ 28.55	$ 173,839.05	$ 38.00	$ 231,420.00	$ 50.00	$ 304,500.00	$ 55.00	$ 334,950.00
21	Crushed Aggregate Base Course, 6"	335	SY	$ 23.05	$ 7,720.08	$ 22.00	$ 7,370.00	$ 75.00	$ 25,125.00	$ 40.00	$ 13,400.00
22	Crushed Aggregate Base Course, 13"	1,880	SY	$ 39.55	$ 74,344.60	$ 48.00	$ 90,240.00	$ 75.00	$ 141,000.00	$ 66.00	$ 124,080.00
23	Lean Concrete Base Course, 8"	335	SY	$ 50.55	$ 16,932.58	$ 91.00	$ 30,485.00	$ 150.00	$ 50,250.00	$ 155.00	$ 51,925.00
24	HMA Surface Course	8,950	TON	$ 258.50	$ 2,313,575.00	$ 230.00	$ 2,058,500.00	$ 160.00	$ 1,432,000.00	$ 275.00	$ 2,461,250.00
25	HMA Surface Course, Shoulder Pavement	415	TON	$ 247.50	$ 102,712.50	$ 230.00	$ 95,450.00	$ 200.00	$ 83,000.00	$ 280.00	$ 116,200.00
26	Portland Cement Concrete Pavement, 17"	85	SY	$ 423.50	$ 35,997.50	$ 215.00	$ 18,275.00	$ 450.00	$ 38,250.00	$ 485.00	$ 41,225.00
27	Portland Cement Concrete Pavement, 19.5"	4,250	SY	$ 467.50	$ 1,986,875.00	$ 240.00	$ 1,020,000.00	$ 475.00	$ 2,018,750.00	$ 625.00	$ 2,656,250.00
28	Reinforced Portland Cement Concrete Pavement, 17"	245	SY	$ 445.50	$ 109,147.50	$ 245.00	$ 60,025.00	$ 475.00	$ 116,375.00	$ 515.00	$ 126,175.00
29	Reinforced Portland Cement Concrete Pavement, 19.5"	1,645	SY	$ 489.50	$ 805,227.50	$ 226.00	$ 371,770.00	$ 475.00	$ 781,375.00	$ 680.00	$ 1,118,600.00
30	Temporary Runway and Taxiway Painting	22,500	SF	$ 4.68	$ 105,187.50	$ 1.30	$ 29,250.00	$ 1.60	$ 36,000.00	$ 1.25	$ 28,125.00
31	Runway and Taxiway Painting with Reflective Beads	23,305	SF	$ 6.22	$ 144,840.58	$ 1.30	$ 30,296.50	$ 1.60	$ 37,288.00	$ 1.25	$ 29,131.25
32	Runway and Taxiway Painting without Reflective Beads	117,945	SF	$ 4.68	$ 551,392.88	$ 0.80	$ 94,356.00	$ 0.80	$ 94,356.00	$ 0.80	$ 94,356.00
33	Electrical Identification Marking	84	EA	$ 82.50	$ 6,930.00	$ 230.00	$ 19,320.00	$ 200.00	$ 16,800.00	$ 230.00	$ 19,320.00
34	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, BLACK	4,950	LF	$ 13.31	$ 65,884.50	$ 3.60	$ 17,820.00	$ 3.00	$ 14,850.00	$ 3.50	$ 17,325.00
35	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, RED	5,900	LF	$ 13.31	$ 78,529.00	$ 4.30	$ 25,370.00	$ 3.50	$ 20,650.00	$ 4.00	$ 23,600.00
36	No. 6 AWG, Solid, Bare Counterpoise Wire, Installed in Trench, Above the Duct Bank or Conduit, Including Ground Rods and Ground Connectors	6,200	LF	$ 24.04	$ 149,017.00	$ 3.65	$ 22,630.00	$ 3.00	$ 18,600.00	$ 7.50	$ 46,500.00
37	3/4" x 10' Copper Clad Ground Rod for Grounding (Extra)	100	EA	$ 825.00	$ 82,500.00	$ 85.00	$ 8,500.00	$ 70.00	$ 7,000.00	$ 205.00	$ 20,500.00
38	#1/0 AWG Guard Wire, Stranded Bare	650	LF	$ 10.00	$ 6,500.00	$ 5.00	$ 3,250.00	$ 4.00	$ 2,600.00	$ 7.00	$ 4,550.00
39	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Paved Shoulder	575	LF	$ 75.74	$ 43,547.63	$ 49.00	$ 28,175.00	$ 40.00	$ 23,000.00	$ 55.00	$ 31,625.00
40	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Full-Strength Pavement	900	LF	$ 105.55	$ 94,990.50	$ 61.00	$ 54,900.00	$ 50.00	$ 45,000.00	$ 75.00	$ 67,500.00
41	1-way, 2" PVC SCH 40 Conduit, Direct-Buried - In 6" saw kerf trench – per linear foot	1,300	LF	$ 39.11	$ 50,836.50	$ 49.00	$ 63,700.00	$ 40.00	$ 52,000.00	$ 57.00	$ 74,100.00
42	4-way, 4" & 4 way, 2" PVC SCH 40 Concrete Encased Conduit - In Full Strength Pavement (Under B1)	475	LF	$ 313.50	$ 148,912.50	$ 122.00	$ 57,950.00	$ 100.00	$ 47,500.00	$ 175.00	$ 83,125.00
43	1-way, 2" RGS Conduit, In 4" wide 8" deep saw kerf trench	2,775	LF	$ 25.14	$ 69,749.63	$ 85.00	$ 235,875.00	$ 100.00	$ 277,500.00	$ 70.00	$ 194,250.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	$ 39,470,658.36		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
		GUARANTEE OF GOOD FAITH:				Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
44	1-way, 2" Galvanized Interlocking Armored HDPE Duct w/ 1/0 base copper guard wire installed via Directional Drill	400	LF	$ 42.35	$ 16,940.00	$ 49.00	$ 19,600.00	$ 40.00	$ 16,000.00	$ 91.00	$ 36,400.00
45	Aircraft Rated Electrical Handhole, 4'x4'	5	EA	$ 13,750.00	$ 68,750.00	$ 14,650.00	$ 73,250.00	$ 12,000.00	$ 60,000.00	$ 16,000.00	$ 80,000.00
46	L-868-B (12" Dia), Class 1, Load Bearing Concrete Encased Junction Can (In full strength pavement) Top Section Adjustment	40	EA	$ 1,402.50	$ 56,100.00	$ 1,000.00	$ 40,000.00	$ 830.00	$ 33,200.00	$ 950.00	$ 38,000.00
47	Junction Can Plaza (Size as Shown on Plans)	1	EA	$ 13,444.20	$ 13,444.20	$ 7,325.00	$ 7,325.00	$ 6,000.00	$ 6,000.00	$ 9,100.00	$ 9,100.00
48	Temporary Airfield Lighting Cable / Circuiting	1	LS	$ 17,325.00	$ 17,325.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 5,700.00	$ 5,700.00
49	Site Locating, Duct Tracing and Pot Holing	1	LS	$ 5,500.00	$ 5,500.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 80,000.00	$ 80,000.00
50	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in New Asphalt Pavement	7	EA	$ 6,143.50	$ 43,004.50	$ 1,830.00	$ 12,810.00	$ 2,000.00	$ 14,000.00	$ 2,275.00	$ 15,925.00
51	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Cored into Existing Concrete Pavement	30	EA	$ 6,143.50	$ 184,305.00	$ 2,200.00	$ 66,000.00	$ 2,000.00	$ 60,000.00	$ 2,500.00	$ 75,000.00
52	Installation of New LED Elevated Taxiway Edge Light L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in Existing Concrete Pavement	13	EA	$ 6,473.50	$ 84,155.50	$ 2,440.00	$ 31,720.00	$ 2,000.00	$ 26,000.00	$ 2,275.00	$ 29,575.00
53	Installation of New In-Pavement Runway Edge Light, L-850C, New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	13	EA	$ 5,813.50	$ 75,575.50	$ 3,660.00	$ 47,580.00	$ 3,000.00	$ 39,000.00	$ 3,400.00	$ 44,200.00
54	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Installed in New Asphalt Pavement	1	EA	$ 5,813.50	$ 5,813.50	$ 1,830.00	$ 1,830.00	$ 1,500.00	$ 1,500.00	$ 1,700.00	$ 1,700.00
55	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Cored in Existing Concrete Pavement	4	EA	$ 6,077.50	$ 24,310.00	$ 2,200.00	$ 8,800.00	$ 1,800.00	$ 7,200.00	$ 2,100.00	$ 8,400.00
56	Re-Installation of Existing LED Taxiway Centerline Light, L-852A/B (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B Cored into Existing Pavement	10	EA	$ 6,913.50	$ 69,135.00	$ 3,050.00	$ 30,500.00	$ 2,500.00	$ 25,000.00	$ 2,850.00	$ 28,500.00
57	Installation of Steel Plate at Location of Future Runway Status Light, on New 12" Diameter, Galvanized, Load Bearing Light Base, L-868B Installed in New Concrete Pavement	10	EA	$ 5,813.50	$ 58,135.00	$ 4,300.00	$ 43,000.00	$ 3,500.00	$ 35,000.00	$ 4,000.00	$ 40,000.00
58	Installation of Steel Plate at Location of Future Runway Status Light, on Existing Base with Adjusted Top Section to Meet Final Grade	5	EA	$ 1,375.00	$ 6,875.00	$ 1,225.00	$ 6,125.00	$ 1,000.00	$ 5,000.00	$ 1,150.00	$ 5,750.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
		GUARANTEE OF GOOD FAITH:				Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
59	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Concrete Pavement	3	EA	$ 6,913.50	$ 20,740.50	$ 2,700.00	$ 8,100.00	$ 2,200.00	$ 6,600.00	$ 2,500.00	$ 7,500.00
60	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Asphalt Pavement	3	EA	$ 6,913.50	$ 20,740.50	$ 2,400.00	$ 7,200.00	$ 2,000.00	$ 6,000.00	$ 2,275.00	$ 6,825.00
61	Re-Installation of Existing In-Pavement Runway Guard Light, L-852G, New Isolation Transformer, L-830, On New L-868, Load-Bearing, Shallow Can in Existing Concrete Pavement	2	EA	$ 6,913.50	$ 13,827.00	$ 2,700.00	$ 5,400.00	$ 2,200.00	$ 4,400.00	$ 2,500.00	$ 5,000.00
62	Re-Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, On New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B in New Concrete Pavement	4	EA	$ 6,913.50	$ 27,654.00	$ 3,050.00	$ 12,200.00	$ 2,500.00	$ 10,000.00	$ 2,850.00	$ 11,400.00
63	Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	12	EA	$ 5,813.50	$ 69,762.00	$ 2,450.00	$ 29,400.00	$ 2,000.00	$ 24,000.00	$ 2,275.00	$ 27,300.00
64	Re-Installation of Existing LED Guidance Sign, L-858 (L), New Isolation Transformer, L-830, on New Foundation	3	EA	$ 6,473.50	$ 19,420.50	$ 3,650.00	$ 10,950.00	$ 3,000.00	$ 9,000.00	$ 3,400.00	$ 10,200.00
65	Mount Existing LED Guidance Sign, L-858 (L), on Existing Pavement Surface, with New Isolation Transformer, and New Base Can Cored into Existing Pavement	6	EA	$ 6,473.50	$ 38,841.00	$ 3,650.00	$ 21,900.00	$ 3,000.00	$ 18,000.00	$ 3,400.00	$ 20,400.00
66	Remove Existing Elevated L-862 Fixture and Furnish and Install New L-862(L) Elevated Runway Edge, Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	1	EA	$ 2,255.00	$ 2,255.00	$ 1,100.00	$ 1,100.00	$ 900.00	$ 900.00	$ 1,025.00	$ 1,025.00
67	L-853 Reflectors Installed on Existing Pavement	5	EA	$ 300.00	$ 1,500.00	$ 145.00	$ 725.00	$ 120.00	$ 600.00	$ 140.00	$ 700.00
68	Install New Steel Cover on Existing Base	81	EA	$ 550.00	$ 44,550.00	$ 150.00	$ 12,150.00	$ 120.00	$ 9,720.00	$ 140.00	$ 11,340.00
69	Electrical Demolition - Taxiway Scope	1	LS	$ 61,473.50	$ 61,473.50	$ 12,500.00	$ 12,500.00	$ 10,000.00	$ 10,000.00	$ 11,400.00	$ 11,400.00
70	Install New L-868B Base Can In Full Strength Concrete Pavement. Furnish and Install New Steel Plate.	4	EA	$ 5,813.50	$ 23,254.00	$ 2,450.00	$ 9,800.00	$ 2,000.00	$ 8,000.00	$ 2,275.00	$ 9,100.00
71	Temporary Battery Powered Elevated Runway Edge Lights, Incandescent	10	EA	$ 11,000.00	$ 110,000.00	$ 3,050.00	$ 30,500.00	$ 2,500.00	$ 25,000.00	$ 2,850.00	$ 28,500.00
72	13.5" Core Prior to Removal of Top Section of Base Can in Existing Asphalt Pavement	40	EA	$ 545.55	$ 21,821.80	$ 122.00	$ 4,880.00	$ 100.00	$ 4,000.00	$ 200.00	$ 8,000.00
Total for Bid Schedule D					**$ 12,467,520.18**		**$ 7,943,256.50**		**$ 9,359,496.00**		**$ 12,045,097.25**

Bid Schedule E - Cross Taxiways Alternate 2											
1	Allowance for Dewatering Discharge Fees	1	ALLOWANCE	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00
2	Allowance for Waste and Soil Disposal Fees	1	ALLOWANCE	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00
3	Allowance for Construction of Temporary Ramps	1	ALLOWANCE	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00	$ 100,000.00
4	Shoulder Pavement Removal (Bituminous Concrete)	1,520	SY	$ 54.84	$ 83,349.20	$ 9.00	$ 13,680.00	$ 10.00	$ 15,200.00	$ 11.00	$ 16,720.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6** **CIP Number:** **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
5	Infield Pavement Removal (Bituminous Concrete)	1,085	SY	$ 31.74	$ 34,432.48	$ 9.00	$ 9,765.00	$ 10.00	$ 10,850.00	$ 13.00	$ 14,105.00
6	Paint Removal	36,280	SF	$ 3.30	$ 119,724.00	$ 1.30	$ 47,164.00	$ 1.60	$ 58,048.00	$ 1.25	$ 45,350.00
7	Cold Milling, 5"	17,915	SY	$ 35.81	$ 641,446.58	$ 8.15	$ 146,007.25	$ 20.00	$ 358,300.00	$ 6.50	$ 116,447.50
8	Cold Milling, 6"	14,410	SY	$ 38.01	$ 547,652.05	$ 8.00	$ 115,280.00	$ 25.00	$ 360,250.00	$ 8.00	$ 115,280.00
9	Dewatering Equipment	1	LS	$ 165,000.00	$ 165,000.00	$ 4,000.00	$ 4,000.00	$ 1,000.00	$ 1,000.00	$ 11,500.00	$ 11,500.00
10	PVC Dewatering Well	1	EA	$ 17,050.00	$ 17,050.00	$ 2,500.00	$ 2,500.00	$ 5,000.00	$ 5,000.00	$ 100.00	$ 100.00
11	Unclassified Excavation	2,730	CY	$ 55.00	$ 150,150.00	$ 50.00	$ 136,500.00	$ 80.00	$ 218,400.00	$ 280.00	$ 764,400.00
12	Over-Excavation	300	CY	$ 55.00	$ 16,500.00	$ 45.00	$ 13,500.00	$ 100.00	$ 30,000.00	$ 145.00	$ 43,500.00
13	Rock Stabilization	300	CY	$ 94.44	$ 28,330.50	$ 70.00	$ 21,000.00	$ 110.00	$ 33,000.00	$ 160.00	$ 48,000.00
14	Ground Stabilization Geogrid	250	SY	$ 4.24	$ 1,058.75	$ 9.00	$ 2,250.00	$ 7.00	$ 1,750.00	$ 7.00	$ 1,750.00
15	SWPPP Implementation and Maintenance	1	LS	$ 93,500.00	$ 93,500.00	$ 30,000.00	$ 30,000.00	$ 10,000.00	$ 10,000.00	$ 9,200.00	$ 9,200.00
16	Storm Drain Inlet Protection	2	EA	$ 1,650.00	$ 3,300.00	$ 1,000.00	$ 2,000.00	$ 250.00	$ 500.00	$ 320.00	$ 640.00
17	Concrete Washout	1	EA	$ 3,135.00	$ 3,135.00	$ 1,000.00	$ 1,000.00	$ 7,500.00	$ 7,500.00	$ 10,300.00	$ 10,300.00
18	Crushed Aggregate Base Course, 9"	635	SY	$ 25.25	$ 16,030.58	$ 36.00	$ 22,860.00	$ 50.00	$ 31,750.00	$ 50.00	$ 31,750.00
19	Crushed Aggregate Base Course, 6"	335	SY	$ 23.05	$ 7,720.08	$ 24.00	$ 8,040.00	$ 50.00	$ 16,750.00	$ 40.00	$ 13,400.00
20	Crushed Aggregate Base Course, 13"	1,685	SY	$ 39.55	$ 66,633.33	$ 51.00	$ 85,935.00	$ 75.00	$ 126,375.00	$ 65.00	$ 109,525.00
21	Lean Concrete Base Course, 8"	335	SY	$ 50.55	$ 16,932.58	$ 225.00	$ 75,375.00	$ 75.00	$ 25,125.00	$ 155.00	$ 51,925.00
22	HMA Surface Course	10,120	TON	$ 258.50	$ 2,616,020.00	$ 225.00	$ 2,277,000.00	$ 160.00	$ 1,619,200.00	$ 248.00	$ 2,509,760.00
23	HMA Surface Course, Shoulder Pavement	370	TON	$ 247.50	$ 91,575.00	$ 230.00	$ 85,100.00	$ 200.00	$ 74,000.00	$ 300.00	$ 111,000.00
24	Portland Cement Concrete Pavement, 17"	85	SY	$ 423.50	$ 35,997.50	$ 520.00	$ 44,200.00	$ 475.00	$ 40,375.00	$ 485.00	$ 41,225.00
25	Reinforced Portland Cement Concrete Pavement, 17"	245	SY	$ 445.50	$ 109,147.50	$ 510.00	$ 124,950.00	$ 475.00	$ 116,375.00	$ 515.00	$ 126,175.00
26	Temporary Runway and Taxiway Painting	22,500	SF	$ 4.68	$ 105,187.50	$ 1.30	$ 29,250.00	$ 1.60	$ 36,000.00	$ 1.25	$ 28,125.00
27	Runway and Taxiway Painting with Reflective Beads	23,305	SF	$ 6.22	$ 144,840.58	$ 1.30	$ 30,296.50	$ 1.60	$ 37,288.00	$ 1.25	$ 29,131.25
28	Runway and Taxiway Painting without Reflective Beads	117,945	SF	$ 4.68	$ 551,392.88	$ 0.80	$ 94,356.00	$ 0.80	$ 94,356.00	$ 0.80	$ 94,356.00
29	Electrical Identification Marking	84	EA	$ 82.50	$ 6,930.00	$ 230.00	$ 19,320.00	$ 200.00	$ 16,800.00	$ 230.00	$ 19,320.00
30	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, BLACK	4,950	LF	$ 13.31	$ 65,884.50	$ 3.65	$ 18,067.50	$ 3.00	$ 14,850.00	$ 3.40	$ 16,830.00
31	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, RED	5,900	LF	$ 13.31	$ 78,529.00	$ 4.25	$ 25,075.00	$ 3.50	$ 20,650.00	$ 4.00	$ 23,600.00
32	No. 6 AWG, Solid, Bare Counterpoise Wire, Installed in Trench, Above the Duct Bank or Conduit, Including Ground Rods and Ground Connectors	5,900	LF	$ 24.04	$ 141,806.50	$ 3.65	$ 21,535.00	$ 3.00	$ 17,700.00	$ 7.50	$ 44,250.00
33	3/4" x 10' Copper Clad Ground Rod for Grounding (Extra)	96	EA	$ 825.00	$ 79,200.00	$ 85.00	$ 8,160.00	$ 70.00	$ 6,720.00	$ 205.00	$ 19,680.00
34	#1/0 AWG Guard Wire, Stranded Bare	450	LF	$ 10.00	$ 4,500.00	$ 5.00	$ 2,250.00	$ 4.00	$ 1,800.00	$ 7.00	$ 3,150.00
35	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Paved Shoulder	575	LF	$ 75.74	$ 43,547.63	$ 50.00	$ 28,750.00	$ 40.00	$ 23,000.00	$ 55.00	$ 31,625.00
36	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Full-Strength Pavement	50	LF	$ 105.55	$ 5,277.25	$ 125.00	$ 6,250.00	$ 100.00	$ 5,000.00	$ 115.00	$ 5,750.00
37	1-way, 2" PVC SCH 40 Conduit, Direct-Buried - In 6" saw kerf trench – per linear foot	1,300	LF	$ 39.11	$ 50,836.50	$ 50.00	$ 65,000.00	$ 40.00	$ 52,000.00	$ 57.00	$ 74,100.00
38	4-way, 4" & 4 way, 2" PVC SCH 40 Concrete Encased Conduit - In Full Strength Pavement (Under B1)	475	LF	$ 313.50	$ 148,912.50	$ 122.00	$ 57,950.00	$ 100.00	$ 47,500.00	$ 175.00	$ 83,125.00
39	1-way, 2" RGS Conduit, In 4" wide 8" deep saw kerf trench	3,150	LF	$ 25.14	$ 79,175.25	$ 85.00	$ 267,750.00	$ 100.00	$ 315,000.00	$ 70.00	$ 220,500.00
40	1-way, 2" Galvanized Interlocking Armored HDPE Duct w/ 1/0 base copper guard wire installed via Directional Drill	400	LF	$ 42.35	$ 16,940.00	$ 50.00	$ 20,000.00	$ 40.00	$ 16,000.00	$ 91.00	$ 36,400.00
41	Aircraft Rated Electrical Handhole, 4'x4'	5	EA	$ 13,750.00	$ 68,750.00	$ 15,000.00	$ 75,000.00	$ 12,000.00	$ 60,000.00	$ 16,000.00	$ 80,000.00
42	L-868-B (12" Dia), Class 1, Load Bearing Concrete Encased Junction Can (In full strength pavement) Top Section Adjustment	51	EA	$ 1,402.50	$ 71,527.50	$ 1,000.00	$ 51,000.00	$ 830.00	$ 42,330.00	$ 950.00	$ 48,450.00
43	Junction Can Plaza (Size as Shown on Plans)	1	EA	$ 13,444.20	$ 13,444.20	$ 7,500.00	$ 7,500.00	$ 6,000.00	$ 6,000.00	$ 9,100.00	$ 9,100.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

ENGINEER'S ESTIMATE: **$ 39,470,658.36**

GUARANTEE OF GOOD FAITH:

						1		2		3	
				ENGINEER'S ESTIMATE		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
						Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
44	Temporary Airfield Lighting Cable / Circuiting	1	LS	$ 17,325.00	$ 17,325.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 5,700.00	$ 5,700.00
45	Site Locating, Duct Tracing and Pot Holing	1	LS	$ 5,500.00	$ 5,500.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 80,000.00	$ 80,000.00
46	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in New Asphalt Pavement	7	EA	$ 6,143.50	$ 43,004.50	$ 1,800.00	$ 12,600.00	$ 2,000.00	$ 14,000.00	$ 2,275.00	$ 15,925.00
47	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Cored into Existing Concrete Pavement	30	EA	$ 6,143.50	$ 184,305.00	$ 2,200.00	$ 66,000.00	$ 2,200.00	$ 66,000.00	$ 2,500.00	$ 75,000.00
48	Installation of New LED Elevated Taxiway Edge Light L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in Existing Concrete Pavement	13	EA	$ 6,473.50	$ 84,155.50	$ 2,400.00	$ 31,200.00	$ 2,000.00	$ 26,000.00	$ 2,275.00	$ 29,575.00
49	Installation of New In-Pavement Runway Edge Light, L-850C, New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	13	EA	$ 5,813.50	$ 75,575.50	$ 3,600.00	$ 46,800.00	$ 3,000.00	$ 39,000.00	$ 3,400.00	$ 44,200.00
50	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Installed in New Asphalt Pavement	1	EA	$ 5,813.50	$ 5,813.50	$ 1,800.00	$ 1,800.00	$ 1,500.00	$ 1,500.00	$ 1,700.00	$ 1,700.00
51	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Cored in Existing Concrete Pavement	4	EA	$ 6,077.50	$ 24,310.00	$ 2,200.00	$ 8,800.00	$ 1,800.00	$ 7,200.00	$ 2,100.00	$ 8,400.00
52	Re-Installation of Existing LED Taxiway Centerline Light, L-852A/B (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B Cored into Existing Pavement	10	EA	$ 6,913.50	$ 69,135.00	$ 3,000.00	$ 30,000.00	$ 2,500.00	$ 25,000.00	$ 2,850.00	$ 28,500.00
53	Installation of Steel Plate at Location of Future Runway Status Light, on Existing Base with Adjusted Top Section to Meet Final Grade	5	EA	$ 1,375.00	$ 6,875.00	$ 1,200.00	$ 6,000.00	$ 1,000.00	$ 5,000.00	$ 1,140.00	$ 5,700.00
54	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Concrete Pavement	3	EA	$ 6,913.50	$ 20,740.50	$ 2,700.00	$ 8,100.00	$ 2,200.00	$ 6,600.00	$ 2,500.00	$ 7,500.00
55	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Asphalt Pavement	13	EA	$ 6,913.50	$ 89,875.50	$ 2,700.00	$ 35,100.00	$ 2,200.00	$ 28,600.00	$ 2,500.00	$ 32,500.00
56	Re-Installation of Existing In-Pavement Runway Guard Light, L-852G, New Isolation Transformer, L-830, On New L-868, Load-Bearing, Shallow Can in Existing Concrete Pavement	2	EA	$ 6,913.50	$ 13,827.00	$ 2,700.00	$ 5,400.00	$ 2,500.00	$ 5,000.00	$ 2,500.00	$ 5,000.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	$ 39,470,658.36		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
57	Re-Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, On New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B in New Concrete Pavement	4	EA	$ 6,913.50	$ 27,654.00	$ 3,000.00	$ 12,000.00	$ 2,500.00	$ 10,000.00	$ 2,850.00	$ 11,400.00
58	Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	12	EA	$ 5,813.50	$ 69,762.00	$ 2,400.00	$ 28,800.00	$ 2,000.00	$ 24,000.00	$ 2,275.00	$ 27,300.00
59	Re-Installation of Existing LED Guidance Sign, L-858 (L), New Isolation Transformer, L-830, on New Foundation	3	EA	$ 6,473.50	$ 19,420.50	$ 3,600.00	$ 10,800.00	$ 3,000.00	$ 9,000.00	$ 3,400.00	$ 10,200.00
60	Mount Existing LED Guidance Sign, L-858 (L), on Existing Pavement Surface, with New Isolation Transformer, and New Base Can Cored into Existing Pavement	6	EA	$ 6,473.50	$ 38,841.00	$ 3,600.00	$ 21,600.00	$ 3,000.00	$ 18,000.00	$ 3,400.00	$ 20,400.00
61	Remove Existing Elevated L-862 Fixture and Furnish and Install New L-862(L) Elevated Runway Edge, Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	1	EA	$ 2,255.00	$ 2,255.00	$ 1,100.00	$ 1,100.00	$ 900.00	$ 900.00	$ 1,100.00	$ 1,100.00
62	L-853 Reflectors Installed on Existing Pavement	5	EA	$ 300.00	$ 1,500.00	$ 145.00	$ 725.00	$ 120.00	$ 600.00	$ 140.00	$ 700.00
63	Install New Steel Cover on Existing Base	92	EA	$ 550.00	$ 50,600.00	$ 145.00	$ 13,340.00	$ 120.00	$ 11,040.00	$ 140.00	$ 12,880.00
64	Electrical Demolition - Taxiway Scope	1	LS	$ 61,473.50	$ 61,473.50	$ 12,000.00	$ 12,000.00	$ 10,000.00	$ 10,000.00	$ 11,400.00	$ 11,400.00
65	Temporary Battery Powered Elevated Runway Edge Lights	10	EA	$ 11,000.00	$ 110,000.00	$ 3,000.00	$ 30,000.00	$ 2,500.00	$ 25,000.00	$ 2,850.00	$ 28,500.00
66	13.5" Core Prior to Removal of Top Section of Base Can in Existing Asphalt Pavement	51	EA	$ 545.55	$ 27,822.80	$ 125.00	$ 6,375.00	$ 100.00	$ 5,100.00	$ 200.00	$ 10,200.00
Total for Bid Schedule E					**$ 8,546,102.67**		**$ 5,451,321.25**		**$ 5,275,247.00**		**$ 6,488,289.75**

Bid Schedule F - Cross Taxiways Alternates 1 & 2											
1	Allowance for Dewatering Discharge Fees	1	ALLOWANCE	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00	$ 11,465.00
2	Allowance for Waste and Soil Disposal Fees	1	ALLOWANCE	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00	$ 843,500.00
3	Allowance for Construction of Temporary Ramps	1	ALLOWANCE	$ 350,000.00	$ 350,000.00	$ 350,000.00	$ 350,000.00	$ 350,000.00	$ 350,000.00	$ 350,000.00	$ 350,000.00
4	Full Strength Pavement Removal (Asphalt Overlay Over Concrete Pavement)	1,630	SY	$ 72.44	$ 118,069.05	$ 68.00	$ 110,840.00	$ 50.00	$ 81,500.00	$ 85.00	$ 138,550.00
5	Shoulder Pavement Removal (Bituminous Concrete)	1,520	SY	$ 54.84	$ 83,349.20	$ 9.00	$ 13,680.00	$ 10.00	$ 15,200.00	$ 11.00	$ 16,720.00
6	Infield Pavement Removal (Bituminous Concrete)	1,085	SY	$ 31.74	$ 34,432.48	$ 9.00	$ 9,765.00	$ 10.00	$ 10,850.00	$ 12.50	$ 13,562.50
7	Paint Removal	36,280	SF	$ 3.30	$ 119,724.00	$ 1.30	$ 47,164.00	$ 1.60	$ 58,048.00	$ 1.25	$ 45,350.00
8	Cold Milling, 5"	17,915	SY	$ 35.81	$ 641,446.58	$ 8.00	$ 143,320.00	$ 20.00	$ 358,300.00	$ 6.50	$ 116,447.50
9	Cold Milling, 6"	12,255	SY	$ 38.01	$ 465,751.28	$ 8.50	$ 104,167.50	$ 25.00	$ 306,375.00	$ 8.50	$ 104,167.50
10	Cold Milling, Full Depth	255	SY	$ 55.00	$ 14,025.00	$ 21.00	$ 5,355.00	$ 30.00	$ 7,650.00	$ 30.00	$ 7,650.00
11	Dewatering Equipment	1	LS	$ 165,000.00	$ 165,000.00	$ 4,000.00	$ 4,000.00	$ 10,000.00	$ 10,000.00	$ 11,400.00	$ 11,400.00
12	PVC Dewatering Well	1	EA	$ 17,050.00	$ 17,050.00	$ 2,500.00	$ 2,500.00	$ 5,000.00	$ 5,000.00	$ 100.00	$ 100.00
13	Unclassified Excavation	3,405	CY	$ 55.00	$ 187,275.00	$ 32.00	$ 108,960.00	$ 80.00	$ 272,400.00	$ 270.00	$ 919,350.00
14	Over-Excavation	300	CY	$ 55.00	$ 16,500.00	$ 45.00	$ 13,500.00	$ 100.00	$ 30,000.00	$ 145.00	$ 43,500.00
15	Rock Stabilization	300	CY	$ 94.44	$ 28,330.50	$ 70.00	$ 21,000.00	$ 110.00	$ 33,000.00	$ 160.00	$ 48,000.00
16	Ground Stabilization Geogrid	250	SY	$ 4.24	$ 1,058.75	$ 9.00	$ 2,250.00	$ 7.00	$ 1,750.00	$ 7.00	$ 1,750.00
17	SWPPP Implementation and Maintenance	1	LS	$ 93,500.00	$ 93,500.00	$ 30,000.00	$ 30,000.00	$ 10,000.00	$ 10,000.00	$ 9,200.00	$ 9,200.00
18	Storm Drain Inlet Protection	2	EA	$ 1,650.00	$ 3,300.00	$ 1,000.00	$ 2,000.00	$ 250.00	$ 500.00	$ 320.00	$ 640.00
19	Concrete Washout	1	EA	$ 3,135.00	$ 3,135.00	$ 1,000.00	$ 1,000.00	$ 7,500.00	$ 7,500.00	$ 16,500.00	$ 16,500.00
20	Crushed Aggregate Base Course, 10"	2,360	SY	$ 28.55	$ 67,366.20	$ 35.00	$ 82,600.00	$ 50.00	$ 118,000.00	$ 55.00	$ 129,800.00
21	Crushed Aggregate Base Course, 6"	335	SY	$ 23.05	$ 7,720.08	$ 22.00	$ 7,370.00	$ 75.00	$ 25,125.00	$ 40.00	$ 13,400.00
22	Crushed Aggregate Base Course, 13"	1,745	SY	$ 39.55	$ 69,006.03	$ 55.00	$ 95,975.00	$ 75.00	$ 130,875.00	$ 65.00	$ 113,425.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6** **CIP Number:** **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
23	Lean Concrete Base Course, 8"	335	SY	$ 50.55	$ 16,932.58	$ 100.00	$ 33,500.00	$ 150.00	$ 50,250.00	$ 155.00	$ 51,925.00
24	HMA Surface Course	9,605	TON	$ 258.50	$ 2,482,892.50	$ 235.00	$ 2,257,175.00	$ 160.00	$ 1,536,800.00	$ 254.00	$ 2,439,670.00
25	HMA Surface Course, Shoulder Pavement	385	TON	$ 247.50	$ 95,287.50	$ 234.00	$ 90,090.00	$ 200.00	$ 77,000.00	$ 300.00	$ 115,500.00
26	Portland Cement Concrete Pavement, 17"	85	SY	$ 423.50	$ 35,997.50	$ 230.00	$ 19,550.00	$ 450.00	$ 38,250.00	$ 185.00	$ 15,725.00
27	Portland Cement Concrete Pavement, 19.5"	1,195	SY	$ 467.50	$ 558,662.50	$ 250.00	$ 298,750.00	$ 650.00	$ 776,750.00	$ 675.00	$ 806,625.00
28	Reinforced Portland Cement Concrete Pavement, 17"	245	SY	$ 445.50	$ 109,147.50	$ 240.00	$ 58,800.00	$ 475.00	$ 116,375.00	$ 515.00	$ 126,175.00
29	Reinforced Portland Cement Concrete Pavement, 19.5"	780	SY	$ 489.50	$ 381,810.00	$ 220.00	$ 171,600.00	$ 475.00	$ 370,500.00	$ 675.00	$ 526,500.00
30	Temporary Runway and Taxiway Painting	22,500	SF	$ 4.68	$ 105,187.50	$ 1.30	$ 29,250.00	$ 1.60	$ 36,000.00	$ 1.25	$ 28,125.00
31	Runway and Taxiway Painting with Reflective Beads	23,305	SF	$ 6.22	$ 144,840.58	$ 1.30	$ 30,296.50	$ 1.60	$ 37,288.00	$ 1.25	$ 29,131.25
32	Runway and Taxiway Painting without Reflective Beads	117,945	SF	$ 4.68	$ 551,392.88	$ 0.80	$ 94,356.00	$ 0.80	$ 94,356.00	$ 0.80	$ 94,356.00
33	Electrical Identification Marking	84	EA	$ 82.50	$ 6,930.00	$ 230.00	$ 19,320.00	$ 200.00	$ 16,800.00	$ 230.00	$ 19,320.00
34	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, BLACK	4,950	LF	$ 13.31	$ 65,884.50	$ 3.60	$ 17,820.00	$ 3.00	$ 14,850.00	$ 3.40	$ 16,830.00
35	No. 8 AWG, 5000V, L-824C Unshielded Cable, installed in conduit, RED	5,900	LF	$ 13.31	$ 78,529.00	$ 4.25	$ 25,075.00	$ 3.50	$ 20,650.00	$ 3.98	$ 23,482.00
36	No. 6 AWG, Solid, Bare Counterpoise Wire, Installed in Trench, Above the Duct Bank or Conduit, Including Ground Rods and Ground Connectors	6,000	LF	$ 24.04	$ 144,210.00	$ 3.60	$ 21,600.00	$ 3.00	$ 18,000.00	$ 7.50	$ 45,000.00
37	3/4" x 10' Copper Clad Ground Rod for Grounding (Extra)	98	EA	$ 825.00	$ 80,850.00	$ 86.00	$ 8,428.00	$ 70.00	$ 6,860.00	$ 205.00	$ 20,090.00
38	#1/0 AWG Guard Wire, Stranded Bare	450	LF	$ 10.00	$ 4,500.00	$ 5.00	$ 2,250.00	$ 4.00	$ 1,800.00	$ 7.00	$ 3,150.00
39	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Paved Shoulder	575	LF	$ 75.74	$ 43,547.63	$ 50.00	$ 28,750.00	$ 40.00	$ 23,000.00	$ 55.00	$ 31,625.00
40	1-way, 2" PVC SCH 40 Conduit, Concrete Encased - In Full-Strength Pavement	325	LF	$ 105.55	$ 34,302.13	$ 61.00	$ 19,825.00	$ 50.00	$ 16,250.00	$ 75.00	$ 24,375.00
41	1-way, 2" PVC SCH 40 Conduit, Direct-Buried - In 6" saw kerf trench	1,300	LF	$ 39.11	$ 50,836.50	$ 50.00	$ 65,000.00	$ 40.00	$ 52,000.00	$ 57.00	$ 74,100.00
42	4-way, 4" & 4 way, 2" PVC SCH 40 Concrete Encased Conduit - In Full Strength Pavement (Under B1)	475	LF	$ 313.50	$ 148,912.50	$ 120.00	$ 57,000.00	$ 100.00	$ 47,500.00	$ 175.00	$ 83,125.00
43	1-way, 2" RGS Conduit, In 4" wide 8" deep saw kerf trench	2,975	LF	$ 25.14	$ 74,776.63	$ 85.00	$ 252,875.00	$ 60.00	$ 178,500.00	$ 68.00	$ 202,300.00
44	1-way, 2" Galvanized Interlocking Armored HDPE Duct w/ 1/0 base copper guard wire installed via Directional Drill	400	LF	$ 42.35	$ 16,940.00	$ 50.00	$ 20,000.00	$ 40.00	$ 16,000.00	$ 91.00	$ 36,400.00
45	Aircraft Rated Electrical Handhole, 4'x4'	5	EA	$ 13,750.00	$ 68,750.00	$ 14,650.00	$ 73,250.00	$ 12,000.00	$ 60,000.00	$ 16,000.00	$ 80,000.00
46	L-868-B (12" Dia), Class 1, Load Bearing Concrete Encased Junction Can (In full strength pavement) Top Section Adjustment	48	EA	$ 1,402.50	$ 67,320.00	$ 1,000.00	$ 48,000.00	$ 830.00	$ 39,840.00	$ 950.00	$ 45,600.00
47	Junction Can Plaza (Size as Shown on Plans)	1	EA	$ 13,444.20	$ 13,444.20	$ 7,300.00	$ 7,300.00	$ 6,000.00	$ 6,000.00	$ 9,100.00	$ 9,100.00
48	Temporary Airfield Lighting Cable / Circuiting	1	LS	$ 17,325.00	$ 17,325.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 5,700.00	$ 5,700.00
49	Site Locating, Duct Tracing and Pot Holing	1	LS	$ 5,500.00	$ 5,500.00	$ 6,000.00	$ 6,000.00	$ 5,000.00	$ 5,000.00	$ 80,000.00	$ 80,000.00
50	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in New Asphalt Pavement	7	EA	$ 6,143.50	$ 43,004.50	$ 1,800.00	$ 12,600.00	$ 2,000.00	$ 14,000.00	$ 2,275.00	$ 15,925.00
51	Re-Installation of Existing LED Elevated Taxiway Edge Light, L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Cored into Existing Concrete Pavement	30	EA	$ 6,143.50	$ 184,305.00	$ 2,200.00	$ 66,000.00	$ 2,200.00	$ 66,000.00	$ 2,500.00	$ 75,000.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

ENGINEER'S ESTIMATE: $ 39,470,658.36

GUARANTEE OF GOOD FAITH:

				ENGINEER'S ESTIMATE		1 Granite Construction Company, 5860 El Camino Real, Suite 200 Carlsbad, CA 92008; Travelers Casualty and Surety Company of America		2 Coffman Specialties, Inc., 9685 Via Excelencia, Suite 200 San Diego, CA 92126; Liberty Mutual Insurance Company		3 Flatiron West, Inc., 1770 La Costa Meadows Drive San Marco, CA 92078; Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
52	Installation of New LED Elevated Taxiway Edge Light L-861T (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load Bearing Light Base, L-867B Installed in Existing Concrete Pavement	13	EA	$ 6,473.50	$ 84,155.50	$ 2,500.00	$ 32,500.00	$ 2,000.00	$ 26,000.00	$ 2,275.00	$ 29,575.00
53	Installation of New In-Pavement Runway Edge Light, L-850C, New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	13	EA	$ 5,813.50	$ 75,575.50	$ 3,600.00	$ 46,800.00	$ 3,000.00	$ 39,000.00	$ 3,400.00	$ 44,200.00
54	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Installed in New Asphalt Pavement	1	EA	$ 5,813.50	$ 5,813.50	$ 1,900.00	$ 1,900.00	$ 1,500.00	$ 1,500.00	$ 1,700.00	$ 1,700.00
55	Re-Installation of Existing Elevated LED Runway Guard Light, L-804 (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Non-Load-Bearing Light Base, L-867B Cored in Existing Concrete Pavement	4	EA	$ 6,077.50	$ 24,310.00	$ 2,200.00	$ 8,800.00	$ 1,800.00	$ 7,200.00	$ 2,100.00	$ 8,400.00
56	Re-Installation of Existing LED Taxiway Centerline Light, L-852A/B (L), New Isolation Transformer, L-830, on New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B Cored into Existing Pavement	10	EA	$ 6,913.50	$ 69,135.00	$ 3,000.00	$ 30,000.00	$ 2,500.00	$ 25,000.00	$ 2,850.00	$ 28,500.00
57	Installation of Steel Plate at Location of Future Runway Status Light, on New 12" Diameter, Galvanized, Load Bearing Light Base, L-868B Installed in New Concrete Pavement	3	EA	$ 5,813.50	$ 17,440.50	$ 4,200.00	$ 12,600.00	$ 3,500.00	$ 10,500.00	$ 4,000.00	$ 12,000.00
58	Installation of Steel Plate at Location of Future Runway Status Light, on Existing Base with Adjusted Top Section to Meet Final Grade	5	EA	$ 1,375.00	$ 6,875.00	$ 1,200.00	$ 6,000.00	$ 1,000.00	$ 5,000.00	$ 1,150.00	$ 5,750.00
59	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Concrete Pavement	3	EA	$ 6,913.50	$ 20,740.50	$ 2,700.00	$ 8,100.00	$ 2,200.00	$ 6,600.00	$ 2,500.00	$ 7,500.00
60	Installation of Steel Plate at Location of Future Runway Status Light, On New 12" Diameter, Galvanized, Load-Bearing Light Bases, L-868B Cored into Existing Asphalt Pavement	10	EA	$ 6,913.50	$ 69,135.00	$ 2,500.00	$ 25,000.00	$ 2,000.00	$ 20,000.00	$ 2,275.00	$ 22,750.00
61	Re-Installation of Existing In-Pavement Runway Guard Light, L-852G, New Isolation Transformer, L-830, On New L-868, Load-Bearing, Shallow Can in Existing Concrete Pavement	2	EA	$ 6,913.50	$ 13,827.00	$ 2,700.00	$ 5,400.00	$ 2,200.00	$ 4,400.00	$ 2,500.00	$ 5,000.00
62	Re-Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, On New 12" Diameter, Galvanized, Load-Bearing Light Base, L-868B in New Concrete Pavement	4	EA	$ 6,913.50	$ 27,654.00	$ 4,300.00	$ 17,200.00	$ 3,500.00	$ 14,000.00	$ 4,000.00	$ 16,000.00
63	Installation of New LED In-Pavement Runway Guard Light, L-852G (L), New Isolation Transformer, L-830, on Existing Bases with Adjusted Top Section to Meet Final Grade	12	EA	$ 5,813.50	$ 69,762.00	$ 2,500.00	$ 30,000.00	$ 2,000.00	$ 24,000.00	$ 2,275.00	$ 27,300.00
64	Re-Installation of Existing LED Guidance Sign, L-858 (L), New Isolation Transformer, L-830, on New Foundation	3	EA	$ 6,473.50	$ 19,420.50	$ 3,600.00	$ 10,800.00	$ 3,000.00	$ 9,000.00	$ 3,400.00	$ 10,200.00

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6** **CIP Number:** **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
	ENGINEER'S ESTIMATE:	**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
	GUARANTEE OF GOOD FAITH:					Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
65	Mount Existing LED Guidance Sign, L-858 (L), on Existing Pavement Surface, with New Isolation Transformer, and New Base Can Cored into Existing Pavement	6	EA	$ 6,473.50	$ 38,841.00	$ 3,600.00	$ 21,600.00	$ 3,000.00	$ 18,000.00	$ 3,400.00	$ 20,400.00
66	Remove Existing Elevated L-862 Fixture and Furnish and Install New L-862(L) Elevated Runway Edge, Bi-directional LED Fixture, Furnish and Install New L-830 Transformer on Existing Base	1	EA	$ 2,255.00	$ 2,255.00	$ 1,100.00	$ 1,100.00	$ 900.00	$ 900.00	$ 1,050.00	$ 1,050.00
67	L-853 Reflectors Installed on Existing Pavement	5	EA	$ 300.00	$ 1,500.00	$ 150.00	$ 750.00	$ 120.00	$ 600.00	$ 140.00	$ 700.00
68	Install New Steel Cover on Existing Base	89	EA	$ 550.00	$ 48,950.00	$ 150.00	$ 13,350.00	$ 120.00	$ 10,680.00	$ 140.00	$ 12,460.00
69	Electrical Demolition - Taxiway Scope	1	LS	$ 61,473.50	$ 61,473.50	$ 12,500.00	$ 12,500.00	$ 10,000.00	$ 10,000.00	$ 11,400.00	$ 11,400.00
70	Install New L-868B Base Can In Full Strength Concrete Pavement. Furnish and Install New Steel Plate.	2	EA	$ 5,813.50	$ 11,627.00	$ 4,300.00	$ 8,600.00	$ 3,500.00	$ 7,000.00	$ 4,000.00	$ 8,000.00
71	Temporary Battery Powered Elevated Runway Edge Lights	10	EA	$ 11,000.00	$ 110,000.00	$ 3,050.00	$ 30,500.00	$ 2,500.00	$ 25,000.00	$ 2,850.00	$ 28,500.00
72	13.5" Core Prior to Removal of Top Section of Base Can in Existing Asphalt Pavement	48	EA	$ 545.55	$ 26,186.16	$ 120.00	$ 5,760.00	$ 100.00	$ 4,800.00	$ 200.00	$ 9,600.00
Total for Bid Schedule F					**$ 9,777,699.39**		**$ 6,180,232.00**		**$ 6,697,837.00**		**$ 8,390,316.75**

Bid Schedule G - Runway Status Lights											
1	No. 4 AWG, Insulated Equipment Safety Ground, Solid, Green	15,150	LF	$ 2.00	$ 30,300.00	$ 3.65	$ 55,297.50	$ 3.00	$ 45,450.00	$ 3.30	$ 49,995.00
2	No. 6 AWG, 5000V, L-824C Shielded Cable, installed in conduit, BLACK	9,600	LF	$ 4.00	$ 38,400.00	$ 4.25	$ 40,800.00	$ 3.50	$ 33,600.00	$ 3.80	$ 36,480.00
3	No. 6 AWG, 5000V, L-824C Shielded Cable, installed in conduit, RED	20,750	LF	$ 5.00	$ 103,750.00	$ 4.90	$ 101,675.00	$ 4.00	$ 83,000.00	$ 4.50	$ 93,375.00
4	Single Mode Fiber Optic Cable (DRAKA Cableteq (Cable P/N FAA CD-12-HB-48-E3) - 48 fibers in existing raceway	12,000	LF	$ 13.50	$ 162,000.00	$ 6.70	$ 80,400.00	$ 5.50	$ 66,000.00	$ 6.00	$ 72,000.00
5	48 Strand Cable - Terminations and OTDR Resting	1	LS	$ 25,000.00	$ 25,000.00	$ 13,500.00	$ 13,500.00	$ 11,000.00	$ 11,000.00	$ 12,000.00	$ 12,000.00
6	Furnish and Install MaxCell Inner Duct in Existing 4" PVC SCH 40 Conduit	5,000	LF	$ 12.00	$ 60,000.00	$ 9.75	$ 48,750.00	$ 8.00	$ 40,000.00	$ 9.00	$ 45,000.00
7	Remove Existing L-852S RWSL Fixture, Isolation Transformer and Adapter Ring. Install 5/8" cover plate	20	EA	$ 250.00	$ 5,000.00	$ 150.00	$ 3,000.00	$ 120.00	$ 2,400.00	$ 130.00	$ 2,600.00
8	Install FAA PROVIDED New L-852S(L), 12" Dia., RWSL Fixture With, New L-830 Transformer & New Individual Light Controller on Existing Base, and Ground Strap (2 per base)	40	EA	$ 2,010.00	$ 80,400.00	$ 855.00	$ 34,200.00	$ 700.00	$ 28,000.00	$ 765.00	$ 30,600.00
9	Airfield Electrical Testing	1	LS	$ 25,000.00	$ 25,000.00	$ 6,100.00	$ 6,100.00	$ 5,000.00	$ 5,000.00	$ 5,500.00	$ 5,500.00
Total for Bid Schedule G					**$ 529,850.00**		**$ 383,722.50**		**$ 314,450.00**		**$ 347,550.00**

OPTION 1	Engineer's Estimate	Granite	Coffman	Flatiron
Total for (Bid Schedule A+B+C+G)	**$ 39,470,658.36**	**$ 22,839,002.50**	**$ 24,646,100.00**	**$ 27,341,381.50**

OPTION 2				
Total for (Bid Schedule A+B+D+G)	**$ 40,934,919.45**	**$ 24,358,897.50**	**$ 25,996,948.00**	**$ 29,712,787.00**

OPTION 3				
Total for (Bid Schedule A+B+E+G)	**$ 37,013,501.94**	**$ 21,866,962.25**	**$ 21,912,699.00**	**$ 24,155,979.50**

ATTACHMENT B
BID TABULATION

Project Title: **Rehabilitate Runway 9-27 & Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6**

CIP Number: **104219 & 104220**

DATE/TIME BIDS OPENED: **5/17/2017 at 2:00 PM**

						1		2		3	
ENGINEER'S ESTIMATE:		**$ 39,470,658.36**		**ENGINEER'S ESTIMATE**		**Granite Construction Company**		**Coffman Specialties, Inc.**		**Flatiron West, Inc.**	
						5860 El Camino Real, Suite 200 Carlsbad, CA 92008		9685 Via Excelencia, Suite 200 San Diego, CA 92126		1770 La Costa Meadows Drive San Marco, CA 92078	
GUARANTEE OF GOOD FAITH:						Travelers Casualty and Surety Company of America		Liberty Mutual Insurance Company		Liberty Mutual Insurance Company	
BID ITEM NO.	TITLE	QUANTITY	UNIT ITEM	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)	UNIT PRICE (In Figures)	TOTAL (In Figures)
OPTION 4											
Total for (Bid Schedule A+B+F+G)					**$ 38,245,098.66**		**$ 22,595,873.00**		**$ 23,335,289.00**		**$ 26,058,006.50**
ADDENDUM NO. NOTED BY BIDDERS ON THEIR SUBMITTED BID SCHEDULE:											
1						Yes		Yes		Yes	
2						Yes		Yes		Yes	
CONTRACTOR's Submitted Bid Schedule Amount							$ 22,839,002.50		$ 24,646,100.00		$ 27,341,381.50

Policy 5.14 Points and Bid Adjustment Amount Table			**N/A**	
Low Bid Amt	**$ 22,839,002.50**			
Points	Bid Adjustment Amount Based on Low Bid or Max. **$200,000**			
7 or 7%	**$1,598,730.18**	7%	7	**($200,000 max)**
6 or 6%	**$1,370,340.15**	6%	6	**($200,000 max)**
5 or 5%	**$1,141,950.13**	5%	5	**($200,000 max)**
4 or 4%	**$913,560.10**	4%	4	
3 or 3%	**$685,170.08**	3%	3	
2 or 2%	**$456,780.05**	2%	2	
1 or 1%	**$228,390.03**	1%	1	

	Granite Construction Company		Coffman Specialties, Inc.		Flatiron West, Inc.	
	Policy 5.14 Bid Adjustment Amount		Policy 5.14 Bid Adjustment Amount		Policy 5.14 Bid Adjustment Amount	
	Points	3	Points	4	Points	2
	Adjustment Amount (Enter Amount from Table Based on Number of Points)	**$0.00**	**Adjustment Amount (Enter Amount from Table Based on Number of Points)**	**$0.00**	**Adjustment Amount (Enter Amount from Table Based on Number of Points)**	**$0.00**
		$22,839,002.50		**$24,646,100.00**		**$27,341,381.50**

RESOLUTION NO. 2017-0064

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AWARDING A CONTRACT TO GRANITE CONSTRUCTION COMPANY IN THE AMOUNT OF $22,839,002.50 FOR PROJECT NO. 104219, REHABILITATE RUNWAY 9-27 AND PROJECT NO. 104220, REHABILITATE CROSS TAXIWAYS B1, B4-B7, C3, C4 AND C6 AT SAN DIEGO INTERNATIONAL AIPPORT

WHEREAS, Projects 104219, Rehabilitate Runway 9-27 and 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6, are San Diego County Regional Airport Authority (“Authority”) Board (“Board”) approved projects in the FY2018 Capital Improvement Program (“CIP”); and

WHEREAS, in 2015 the Authority conducted a comprehensive Pavement Maintenance/Management Study on the airside which included Runway 9-27 (“Runway”) and Cross Taxiways B1, B4-B7, C3, C4 and C6 (“Cross Taxiways”); and

WHEREAS, the result of the study revealed that Runway 9-27 is in fair condition, the Cross Taxiways are in poor to fair condition, and the resurfacing of both by 2018 is recommended; and

WHEREAS, Authority Staff (“Staff”) proposes two projects, Project 104219, Rehabilitate Runway 9-27 and Project 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6; and

WHEREAS, Project 104219 will provide for rehabilitation of the airfield asphalt on Runway 9-27 which includes milling and replacing the top three inches of the approximately 9,400 x 200 ft. pavement surface, striping, marking, and related work; and

WHEREAS, included in this project is the replacement of the electrical Runway Lighting System from incandescent to LED which is included in the 20 Year CIP; and

WHEREAS, per Federal Aviation Administration (FAA) request, this project also includes the upgrade of the Runway Status Lighting (RWSL) system; and

WHEREAS, initially the RWSL system was installed by FAA as a prototype and has since been adopted by the FAA, who has requested to upgrade their system to the latest RWSL system; and

WHEREAS, the RWSL system will provide the additional safety factor for aircrafts navigating the airfield; and

WHEREAS, the installation of this facility is included under a Reimbursable Agreement with FAA [Resolution No. 2017-0041]; and

WHEREAS, Project 104220 will provide for rehabilitation of the cross taxiways B1, B4-B7, C3, C4 and C6, including approximately 449,882 sq. ft., of milling and overlay to full depth and replacement of asphalt pavement surface, adjustment of electrical runway and taxiway lights and appurtenances, striping, marking, and related work; and

WHEREAS, the existing asphalt pavement at Taxiway B1 will be replaced with concrete pavement to minimize pavement shoving by aircraft stopping and turning onto Runway 9-27; and

WHEREAS, the alignment of Taxiway C6 will be adjusted to allow Airplane Design Group (ADG) V aircraft to navigate safely through the taxiway; and

WHEREAS, edge lighting and markings are adjusted at Taxiways B1, C1, and C6 to comply with updated FAA requirements; and

WHEREAS, the Request for Bids for these projects was advertised on April 3, 2017; and

WHEREAS, on May 17, 2017, the Authority opened sealed bids received in response to the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Granite Construction Company, in the amount of $22,839,002.50, for Project No. 104219, Rehabilitate Runway 9-27 and Project No. 104220 Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6, at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to Granite Construction Company; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employee, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED by the Board that it finds that this Board action is consistent with Categorical Exemption 15302 – Replacement or Reconstruction – Class 2 and consists of; replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced, including but not limited to: (c) Replacement or reconstruction of existing utility systems and/or facilities involving negligible or no expansion of capacity; and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Item 15

Rehabilitation of Runway 9-27 and Cross Taxiways B1, B4-B7, C3, C4 and C6

SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

San Diego County Regional Airport Authority

Board Meeting

July 6, 2017

Presented by: Iraj Ghaemi, P.E. Director, Facilities Development

Project Overview

- In 2015 the Airport Authority conducted a comprehensive Pavement Maintenance/Management Study on the airside which included Runway 9-27 and Cross Taxiways B1, B4-B7, C3, C4 and C6
- The result of the study revealed that Runway 9-27 is in fair condition, the Cross Taxiways are in poor to fair condition, and the resurfacing of both by 2018 is recommended
- Projects 104219, Rehabilitate Runway 9-27 and 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6, are San Diego County Regional Airport Authority Board approved projects in the FY2018 Capital Improvement Program (CIP)

Project Overview

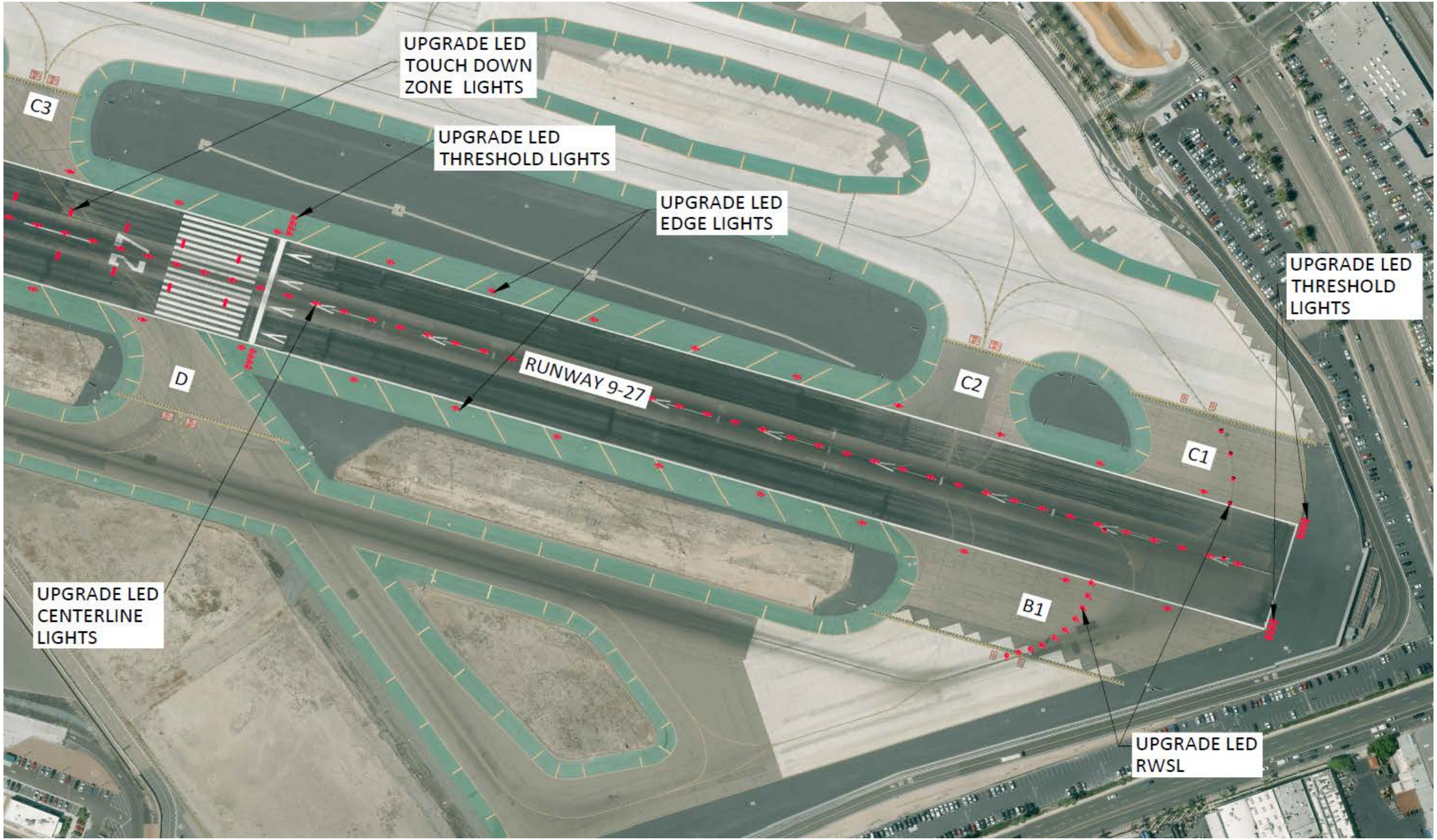
- Included in this project is the replacement of the electrical Runway Lighting System from incandescent to LED which is included in the 20 Year CIP
- Per Federal Aviation Administration (FAA) request, this project includes the upgrade of the Runway Status Lighting (RWSL) system
- Initially the RWSL was installed by the FAA as a prototype and has since been adopted by the FAA, who has requested to upgrade their system to the latest RWSL system

Project Overview

- The RWSL system will provide the additional safety factor for aircrafts navigating the airfield. The installation of this facility is included under a Reimbursable Agreement with FAA [Resolution No. 2017-0041]
- To maximize the cost saving and minimize the impact to operations, these two projects were combined and bid as one project
- This Project is an FAA funded project with the Airport Authority matching funds

Project 104219, Rehabilitate Runway 9/27

Project 104219, Rehabilitate Runway 9/27



Project 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 & C6

Staff Recommendations for Board Action

- This contract was advertised on April 3, 2017, and sealed bids were opened on May 17, 2017
- Three bids received:
  - Granite Construction Company $22,839,002.50
  - Coffman Specialties, Inc. $24,646,100.00
  - Flatiron West, Inc. $27,341,381.50
- Staff recommends awarding a Contract to Granite Construction Company in the amount of $22,839,002.50 for Project 104219, Rehabilitate Runway 9-27 and Project 104220, Rehabilitate Cross Taxiways B1, B4-B7, C3, C4 and C6

  at San Diego International Airport


Questions?

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
16

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Authorization of Bond Documents and Sale of up to $400 Million Airport Revenue Bonds, Including Delegation of Pricing Authority, to Refund a Portion of the Authority's Outstanding Subordinate Revolving Obligations and to Fund the Parking Plaza, FIS and Capital Improvement Program; Authorization of the $10 Million Irrevocable Commitment of Passenger Facility Charges in FY 2018 to the Payment of Debt Service and; Authorization of Reimbursement Agreement

Recommendation:

Adopt Resolution No. 2017-0066, (1) authorizing the issuance and sale of not-to-exceed $400 million in aggregate principal amount of one or more series of San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds; and (2) approving the forms of a Fifth Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Purchase Contract, a Continuing Disclosure Certificate, and certain related matters; and

Adopt Resolution No. 2017-0067, authorizing an irrevocable commitment of certain Passenger Facility Charges for the payment of debt service on the Authority's Senior and Subordinate Obligations and certain related matters; and

Adopt Resolution No. 2017-0068, authorizing the establishment of a method for the San Diego County Regional Airport Authority to make declarations of official intent in order to permit the Authority to reimburse itself and other parties for capital expenditures with proceeds of future taxable or tax-exempt borrowings in accordance with Internal Revenue Service reimbursement regulations.

Background/Justification:

Pursuant to §170070 of the California Public Utilities Code (the "Act"), the San Diego County Regional Airport Authority (the "Authority") has the power to issue bonds, from time to time, payable from revenue of any facility or enterprise operated, acquired, or constructed by the Authority, for any of the purposes authorized under the Act.

Senior Bonds

The Authority previously entered into a senior Master Trust Indenture, dated as of November 1, 2005, as amended (the "Master Senior Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A. (the "Senior Trustee"). This Master Senior Indenture is the financing document that sets forth the general terms of the Authority's pledge of Net Revenues (which include certain revenues received by the Authority from the operation of the Airport less operation and maintenance expenses) to secure senior lien airport revenue bonds and provides for the terms and conditions upon which senior lien airport revenue bonds may be issued by the Authority.

Senior Series 2013 Bonds. Pursuant to the Master Senior Indenture and a Third Supplemental Trust Indenture, dated as of January 1, 2013, by and between the Authority and the Senior Trustee, the Authority issued its Series 2013A Non AMT and 2013B AMT Senior Bonds, which are currently outstanding in the aggregate principal amount of $375.5 million. The Senior Series 2013 Bonds were used to finance the Green Build and certain other projects in the Authority's capital plan. The Senior Series 2013 Bonds are the only senior lien airport revenue bonds currently outstanding.

Subordinate Obligations

The Authority previously entered into a Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended ("Master Subordinate Indenture") by and between the Authority and U.S. Bank National Association, as successor trustee, ("Subordinate Trustee"). This Master Subordinate Indenture is the financing document that sets forth the general terms of the Authority's pledge of Subordinate Net Revenues (which include certain revenues received by the Authority from the operation of the Airport, less operation and maintenance expenses, less the debt service on the Senior Bonds and Senior Bond reserve requirements) to secure subordinate lien airport revenue obligations and provides for the terms and conditions upon which subordinate lien airport revenue obligations may be issued by the Authority. The pledge of Subordinate Net Revenues under the Master Subordinate Indenture is subordinate to the pledge of Net Revenues under the Master Senior Indenture.

Subordinate 2010 Bonds. Pursuant to the Master Subordinate Indenture and a Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010, by and between the Authority and the Subordinate Trustee, the Authority issued its Series 2010A (non AMT), Series 2010B (non AMT) and Series 2010C (federally taxable Build America Bonds) Subordinate Bonds, which are currently outstanding in the aggregate principal amount of $546.4 million. The Subordinate Series 2010 Bonds were used to finance the Green Build and certain other projects in the Authority's capital plan.

Subordinate Revolving Obligations. Pursuant to the Master Subordinate Indenture, the Third Supplemental Subordinate Trust Indenture, dated as of September 1, 2014 (the "Third Supplemental Subordinate Indenture"), by and between the Authority and the Subordinate Trustee, and the Revolving Credit Agreement, dated as of September 1, 2014, as amended (the "Subordinate Credit Agreement"), by and between the Authority and U.S. Bank National Association (the "Subordinate Revolving Obligations Bank"), the Authority is authorized to issue and have outstanding, from time to time, up to $125,000,000 in aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations (collectively, the "Subordinate Revolving Obligations"). Currently, the Authority has $ 52 million aggregate principal amount of Subordinate Revolving Obligations outstanding.

Subordinate Drawdown Bonds: Additionally, pursuant to the Master Subordinate Indenture, the Fourth Supplemental Subordinate Trust Indenture, dated as of April 1, 2017 (the “Fourth Supplemental Subordinate Indenture”), by and between the Authority and the Subordinate Trustee, the Bondholder’s Agreement, dated as of April 1, 2017 (the “Subordinate Drawdown Bondholder’s Agreement”), by and between the Authority and RBC Municipal Products, LLC (the “Subordinate Drawdown Bond Purchaser”), and the Bond Purchase Agreement, dated April 19, 2017 (the “Subordinate Drawdown Bond Purchase Agreement”), between RBC Capital Markets LLC (the “Subordinate Drawdown Bond Underwriter”) and the Authority, the Authority is authorized to issue and have outstanding, from time to time, up to $100,000,000 in aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Drawdown Bonds (collectively, the “Subordinate Drawdown Bonds”). Currently the Authority has no Subordinate Drawdown Bonds outstanding.

Subordinate Series 2017 Bonds

Authority staff has determined that it is necessary and advisable to issue additional Subordinate Airport Revenue Bonds (“Subordinate Series 2017 Bonds”) in an aggregate principal amount not to exceed $400 million in order to refund a portion of the Authority’s outstanding Subordinate Revolving Obligations, to fund certain capital projects in the FY 2018 – FY 2022 Capital Program, including the Parking Plaza and the Federal Inspection Services facilities (“FIS”), to fund a portion of the interest accruing on the Subordinate Series 2017 Bonds, to fund a reserve fund for the Subordinate Series 2017 Bonds), and to pay the costs of issuance of the Subordinate Series 2017 Bonds. The Subordinate Series 2017 Bonds will be issued pursuant to the Maser Subordinate Indenture and a Fifth Supplemental Subordinate Trust Indenture to be entered into by the Authority and the Subordinate Trustee.

Resolution No. 2017-0066

Upon adoption of Resolution No. 2017-0066, the Board will be approving the following:

1) The issuance of the new Subordinate Series 2017 Bonds in an aggregate principal amount not-to-exceed $400 million in order to refund a portion of the Authority’s outstanding Subordinate Revolving Obligations, to fund certain capital projects in the FY 2018 – FY 2022 Capital Program, including the Parking Plaza and the FIS, to fund a portion of the interest accruing on the new Subordinate Series 2017 Bonds, to fund a reserve fund for the new 2017 Subordinate 2017 Bonds , and to pay the costs of issuance of the new Subordinate Series 2017 Bonds.

2) Fifth Supplemental Subordinate Trust Indenture (Attachment 4)

The Fifth Supplemental Trust Indenture sets forth the terms of the Subordinate Series 2017 Bonds, including, among other things, the interest rates, maturity dates and redemption provisions of the Subordinate Series 2017 Bonds, the establishment of certain funds and accounts to be created in connection with the issuance of the Subordinate Series 2017 Bonds and the form of the Subordinate Series 2017 Bonds. The new Subordinate Series 2017 Bonds will bear interest at fixed rates of interest that will be determined by the underwriters in accordance with the Purchase Contract.

3) Preliminary Official Statement (POS) (Attachment 1)

The Preliminary Official Statement is the disclosure document provided by the Authority to prospective purchasers of the Subordinate Series 2017 Bonds. The Preliminary Official Statement describes, among other things, the security for the Subordinate Series 2017 Bonds, how the proceeds of the Subordinate Series 2017 Bonds will be used, financial and operating information of the Authority and the Airport, certain information regarding the airline industry, risk factors and pending litigation against the Authority. Additionally, Appendix A to the Preliminary Official Statement will contain the Financial Feasibility Report of Unison Consulting Inc. The Financial Feasibility Report, contains among other things, projections of future enplanements at the Airport and future revenues and expenses and debt service coverage levels. The Authority is required to provide full and complete disclosure of all material information to the prospective purchasers of the Subordinate Series 2017 Bonds and must certify that the Preliminary Official Statement contains the same. Upon pricing of the Subordinate Series 2017 Bonds, the Authority will be required to complete a Final Official Statement, which will be an updated version of the Preliminary Official Statement in substantially the same form but will include the results of the pricing of the Subordinate Series 2017 Bonds. The Authority is required to provide full and complete disclosure of all material information to the prospective purchasers of the Subordinate Series 2017 Bonds and must certify that the Final Official Statement contains the same.

4) Purchase Contract (Attachment 2)

This financing document will be entered into with Morgan Stanley, as representative of the underwriters of the Subordinate Series 2017 Bonds, which will include Morgan Stanley, Jefferies, Backstrom McCarley Berry & Co, Citigroup, RBC Capital Markets and Siebert Cisneros Shank & Co. The Purchase Contract requires the underwriters to purchase the Subordinate Series 2017 Bonds, provided certain terms and conditions set forth in the Purchase Contract are met by the Authority and other parties. Pursuant to the terms of the Purchase Contract, the underwriters will collect an underwriting discount not exceeding 0.3% of the final par amount of the Subordinate Series 2017 Bonds purchased by them.

5) Continuing Disclosure Certificate (Attachment 3)

The Continuing Disclosure Certificate sets out the Authority’s obligation under Rule 15c2 12 of the Securities Exchange Act of 1934, as amended, to provide updated financial and operating information about the Authority and the Airport to the Municipal Securities Rulemaking Board (“MSRB”) on an annual basis, and to provide notices of certain enumerated events to MSRB.

Resolution No. 2017-0067 (Irrevocable Commitment of PFCs)

Upon adoption of Resolution No. 2017-0067, the Board will be irrevocably committing to use $10 million of passenger facility charges ("PFC's") to pay debt service on the Senior Series 2013 Bonds and/or the Subordinate Series 2010 Bonds during fiscal year 2018. When issuing additional Subordinate Obligations (like the Subordinate Series 2017 Bonds), the terms of the Master Subordinate Indenture require the Authority to certify that its future revenues, and other moneys used to pay debt service, will be sufficient to make the debt service payments on the new debt obligations. In connection with the issuance of the Subordinate Series 2017 Bonds, the Authority will be including the $10 million of PFCs in its certification that it will have sufficient moneys in the future to make its debt service payments. In addition to the $10 million of PFCs being irrevocably committed, the Authority will be using additional PFCs to make its debt service payments in FY 2018 and in future years.

Resolution No. 2017-0068 (Delegation of Reimbursement Declarations)

Upon adoption of Resolution No. 2017-0068, the Board will be designating the President/CEO and Vice President, Finance & Asset Management and Treasurer of the Authority to act on behalf of the Authority when declaring the Authority's intent to reimburse original capital expenditures with proceeds of taxable and tax-exempt bonds. Under Federal tax laws, except for certain limited exceptions, an issuer must declare its intent to use proceeds of tax-exempt bonds to reimburse itself for capital expenditures originally paid with the Issuer's own moneys. The President/CEO and Vice President, Finance & Asset Management and Treasurer will be allowed to make these declarations on behalf of the Authority. This does not enable Authority staff to issue or incur a debt obligation without prior Board approval.

Fiscal Impact:

Debt Service and Cost of Issuance related to the Subordinate Series 2017 Bonds have been included in the approved FY 2018 Budget and FY 2019 Conceptual Budget in non-operating costs under the Debt Service line item. Future Debt service costs will be included in future budget requests.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☒ Financial Strategy ☐ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

SCOTT BRICKNER,
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

ATTACHMENT 1

PRELIMINARY OFFICIAL STATEMENT DATED [JULY __], 2017

NEW ISSUES
BOOK-ENTRY ONLY

Ratings: See "RATINGS" herein.

In the opinion of Kutak Rock LLP, Bond Counsel to the Authority, under existing laws, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and continuing compliance with certain covenants, interest on the Subordinate Series 2017 Bonds is excluded from gross income for federal income tax purposes, except for interest on any Subordinate Series 2017B Bond for any period during which such Subordinate Series 2017B Bond is held by a "substantial user" of the facilities financed or refinanced by the Subordinate Series 2017B Bonds or a "related person" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended. Bond Counsel is further of the opinion that (a) interest on the Subordinate Series 2017A Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax, except that interest on the Subordinate Series 2017A Bonds will be included in a corporate taxpayer's adjusted current earnings for purposes of computing its federal alternative minimum tax, and (b) interest on the Subordinate Series 2017B Bonds is a specific item of tax preference for purposes of the federal alternative minimum tax.. Bond Counsel is further of the opinion that interest on the Subordinate Series 2017 Bonds is exempt from present State of California personal income taxes. See "TAX MATTERS" herein.

[Insert Authority Logo]

[Airport Logo]

$[PAR]
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds

$[PARA] Series 2017A (Non-AMT)	$[PARB] Series 2017B (AMT)

Dated: Date of Delivery **Due: July 1 as shown on the inside cover**

The San Diego County Regional Airport Authority (the "Authority") is issuing its Subordinate Airport Revenue Bonds, Series 2017A (the "Subordinate Series 2017A Bonds"), and Subordinate Airport Revenue Bonds, Series 2017B (the "Subordinate Series 2017B Bonds," and together with the Subordinate Series 2017A Bonds, the "Subordinate Series 2017 Bonds"), to (a) pay and/or reimburse the Authority for certain capital improvements at San Diego International Airport, (b) repay a portion of the outstanding Subordinate Revolving Obligations, (c) fund a portion of the interest accruing on the Subordinate Series 2017 Bonds, (d) make a deposit to the Subordinate Reserve Fund, and (e) pay the costs of issuance of the Subordinate Series 2017 Bonds. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS" herein.

The Subordinate Series 2017 Bonds are special obligations of the Authority, payable solely from and secured by a pledge of (a) Subordinate Net Revenues, which include certain income and revenue received by the Authority from the operation of the Airport System, less all amounts that are required to pay the Operation and Maintenance Expenses of the Airport System and less all amounts necessary to pay debt service on and fund the reserves for the Senior Bonds; and (b) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. The Subordinate Series 2017 Bonds will be issued with a pledge of and lien on Subordinate Net Revenues on parity with the Authority's Subordinate Series 2010 Bonds, which, as of July 2, 2017, were outstanding in the aggregate principal amount of $536,990,000, the Authority's Subordinate Revolving Obligations, which are authorized to be outstanding in the aggregate principal amount of $125,000,000 at any one time, and the Authority's Subordinate Drawdown Bonds, which are authorized to be outstanding in the aggregate principal amount of $100,000,000 at any one time.

NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THE SUBORDINATE SERIES 2017 BONDS, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE OF CALIFORNIA IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE SUBORDINATE SERIES 2017 BONDS. SEE "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS."

The Subordinate Series 2017 Bonds will be issued as fully registered bonds in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases and sales of the Subordinate Series 2017 Bonds may be made in book-entry-form only in denominations of $5,000 and integral multiples thereof. Interest on the Subordinate Series 2017 Bonds will be payable on January 1 and July 1, commencing on [January] 1, 2018. So long as the Subordinate Series 2017 Bonds are held by DTC, the principal of and interest on the Subordinate Series 2017 Bonds will be payable by wire transfer to DTC, which in turn will be required to remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners of the Subordinate Series 2017 Bonds, as more fully described herein. See "APPENDIX F—BOOK-ENTRY-ONLY SYSTEM."

Maturity Schedule on Inside Front Cover

The Subordinate Series 2017 Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as more fully described herein. See "DESCRIPTION OF THE SUBORDINATE SERIES 2017 BONDS—Redemption Provisions."

The purchase and ownership of Subordinate Series 2017 Bonds involve investment risk and may not be suitable for all investors. This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Subordinate Series 2017 Bonds. Investors are advised to read the entire Official Statement, including any portion hereof included by reference, to obtain information essential to the making of an informed decision, giving particular attention to the matters discussed under "CERTAIN INVESTMENT CONSIDERATIONS." Capitalized terms used on this cover page and not otherwise defined have the meanings set forth herein.

The Subordinate Series 2017 Bonds are offered when, as and if issued by the Authority, subject to the approval of validity by Kutak Rock LLP, Bond Counsel to the Authority, and to certain other conditions. Certain matters will be passed upon for the Authority by its General Counsel and by Kutak Rock LLP, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. Frasca & Associates, LLC. has served as Municipal Advisor to the Authority. It is expected that the delivery of the Subordinate Series 2017 Bonds will be made through the facilities of DTC on or about [August __], 2017.

Morgan Stanley **Jefferies**

Backstrom McCarley Berry & Co., LLC **Citigroup** **RBC Capital Markets** **Siebert Cisneros Shank & Co., L.L.C.**

Date of Official Statement:

MATURITY SCHEDULE*

$[PARA]*
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2017A
(Non-AMT)

Maturity Date (July 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP Numbers†

$_________ _____% Term Bonds due July 1, 20___ – Yield ____%; Price _____%; CUSIP No.† ______

* Preliminary; subject to change.

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$[PARB]*
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds
Series 2017B
(AMT)

Maturity Date (July 1)*	Principal Amount*	Interest Rate	Yield	Price	CUSIP Numbers†

$_________ _____% Term Bonds due July 1, 20___ – Yield ____%; Price _____%; CUSIP No.† ______

* Preliminary; subject to change.
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SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

BOARD OF DIRECTORS

C. April Boling (Chair)*
Paul Robinson (Vice Chair)*
Jim Janney*
Greg Cox
Jim Desmond
Robert H. Gleason
Mark Kersey
Mary Sessom
Michael Schumacher
Laurie Berman, *Ex-Officio* Member
Eraina Ortega, *Ex-Officio* Member
Colonel Jason G. Woodworth, *Ex-Officio* Member

*Member of the Executive Committee.

EXECUTIVE MANAGEMENT

Kimberly J. Becker, President and CEO
Scott M. Brickner. Vice President, Finance & Asset Management/Treasurer
Angela Shafer-Payne, Vice President, Operations Division
Jeffrey Woodson, Vice President, Development Division
Mark Burchyett, Chief Auditor
Amy Gonzalez, General Counsel

SUBORDINATE TRUSTEE

U.S. Bank National Association

INDEPENDENT AUDITORS

BKD, LLP

BOND COUNSEL AND DISCLOSURE COUNSEL

Kutak Rock LLP

MUNICIPAL ADVISOR

Frasca & Associates, LLC

FEASIBILITY CONSULTANT

Unison Consulting, Inc.

No dealer, broker, salesperson or other person has been authorized by the Authority to give any information or to make any representations other than as set forth herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Subordinate Series 2017 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Subordinate Series 2017 Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts. See "INTRODUCTION—Forward-Looking Statements" herein.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the Subordinate Series 2017 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE SUBORDINATE SERIES 2017 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. THE SUBORDINATE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED THEREIN. THE SUBORDINATE SERIES 2017 BONDS HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY COMMISSION. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SUBORDINATE SERIES 2017 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE SUBORDINATE SERIES 2017 BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGES OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

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OFFICIAL STATEMENT

$[PAR][*]
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
Subordinate Airport Revenue Bonds

$[PARA][*]	**$[PARB][*]**
Series 2017A	**Series 2017B**
(Non-AMT)	**(AMT)**

INTRODUCTION

General

The purpose of this Official Statement, which includes the cover page, inside cover pages, table of contents and appendices, is to provide certain information concerning the sale and delivery by the San Diego County Regional Airport Authority (the "Authority") of its $[PARA][*] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A (the "Subordinate Series 2017A Bonds"), and $[PARB][*] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B (the "Subordinate Series 2017B Bonds," and together with the Subordinate Series 2017A Bonds, the "Subordinate Series 2017 Bonds"). Capitalized terms used but not defined herein have the meanings ascribed to them in "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SUBORDINATE INDENTURE AND THE FIFTH SUPPLEMENTAL SUBORDINATE INDENTURE—CERTAIN DEFINITIONS."

The Authority

The Authority is a local government entity of regional government, with jurisdiction extending throughout the County of San Diego (the "County"). The Authority was organized and exists pursuant to the provisions of the Constitution of the State of California and Section 170000 et seq. of the California Public Utilities Code (the "Act"). The Authority was formed for the purposes of: (a) operating the Airport System (the main asset of which is San Diego International Airport (Lindbergh Field) ("SDIA," "SAN" or the "Airport")); (b) planning and operating any future airport that could be developed as a supplement or replacement to SDIA; (c) developing a comprehensive land use plan as it may relate to the Airport System for the entire County; and (d) serving as the region's airport land use commission.

San Diego International Airport and Airport System

SDIA was owned and operated by the San Diego Unified Port District (the "Port District") until January 2003 at which time SDIA was transferred by long-term lease to the Authority (the "Transfer"). The Transfer included all obligations associated with SDIA, including bonds and commercial paper notes issued for the improvement of SDIA. SDIA is the busiest single-runway commercial airport in the United States and is classified as a large air traffic hub by the Federal Aviation Administration (the "FAA"). According to Airports Council International ("ACI") statistics, for the calendar year ended December 31, [2015 (the latest available information from ACI), SDIA was ranked as the [27th]] busiest airport in the country as measured by total number of enplaned and deplaned passengers. For the fiscal year ended June 30, 2016 ("Fiscal Year 2016"), SDIA enplaned approximately 10.2 million passengers, which represented an approximately 5.1% increase in enplaned passengers from the fiscal year ended June 30,

[*] Preliminary; subject to change.

2015. For the calendar year ended December 31, 2016, approximately 96% of the passengers using SDIA were origination and destination ("O&D") passengers (passengers beginning or ending their trips at SDIA, as opposed to passengers connecting through SDIA to other cities). See "THE AUTHORITY" and "SAN DIEGO INTERNATIONAL AIRPORT" herein.

In addition to operating SDIA, the Authority is responsible for operating the entire "Airport System," which includes all airports, airport sites, and all equipment, accommodations and facilities for aerial navigation, flight, instruction and commerce under the jurisdiction and control of the Authority, including SDIA, and any successor entities thereto, including all facilities and property related thereto, real or personal, under the jurisdiction or control of the Authority or in which the Authority has other rights or from which the Authority derives revenues at such location; and including or excluding, as the case may be, such property as the Authority may either acquire or which shall be placed under its control, or divest or have removed from its control. Currently, SDIA is the only airport in the Airport System.

Plan of Finance

The Subordinate Series 2017 Bonds are being issued to (a) pay and/or reimburse the Authority for certain capital improvements at SDIA, (b) repay $32,550,000 aggregate principal amount of the Authority's outstanding Subordinate Revolving Obligations (as defined herein), (c) fund a portion of the interest accruing on the Subordinate Series 2017 Bonds through and including [January] 1, 2018, (d) make a deposit to the Subordinate Reserve Fund (as defined herein), and (e) pay the costs of issuance of the Subordinate Series 2017 Bonds. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS" and "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT."

Subordinate Series 2017 Bonds and Pledge of Subordinate Net Revenues

The Subordinate Series 2017 Bonds are being issued pursuant to the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "Subordinate Trustee"), and the Fifth Supplemental Subordinate Trust Indenture, to be dated as of August 1, 2017 (the "Fifth Supplemental Subordinate Indenture," and collectively with the Master Subordinate Indenture and all supplements thereto, the "Subordinate Indenture"), by and between the Authority and the Subordinate Trustee; the Act; and certain other provisions of California State law (including Section 53580 *et seq*. of the California Government Code). Additionally, the board of directors of the Authority (the "Board") authorized the issuance of the Subordinate Series 2017 Bonds pursuant to a resolution adopted by the Board on July 6, 2017 (the "Resolution"). See "DESCRIPTION OF THE SUBORDINATE SERIES 2017 BONDS."

The Subordinate Series 2017 Bonds are secured by a pledge of and first lien on Subordinate Net Revenues (as defined herein) on a parity with the Existing Subordinate Obligations (as defined herein), and any additional bonds or obligations issued or incurred on a parity with the Subordinate Series 2017 Bonds under the terms and provisions of the Master Subordinate Indenture (the "Additional Subordinate Obligations"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Flow of Funds," "—Pledge of Subordinate Net Revenues," "—Use of PFCs to Pay Debt Service" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE."

The Subordinate Series 2017 Bonds are special obligations of the Authority, payable solely from and secured by a pledge of (a) "Subordinate Net Revenues," which include Revenues (as defined herein), less all amounts which are required to be used to pay the Operation and Maintenance Expenses of the Airport System (as defined herein), less the debt service on the Senior Bonds (as defined herein) and less the reserve and replenishment requirements on and relating to

the Senior Bonds, if any, and (b) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Subordinate Series 2017 Bonds, and neither the full faith and credit nor the taxing power of the Authority, the City of San Diego (the "City"), the County, the State of California (the "State") or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Subordinate Series 2017 Bonds.

Outstanding Subordinate Obligations

Pursuant to the Master Subordinate Indenture and the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010 (the "Second Supplemental Subordinate Indenture"), by and between the Authority and the Subordinate Trustee, the Authority previously issued, and as of July 2, 2017, there was $536,990,000 aggregate principal amount outstanding of its Subordinate Airport Revenue Bonds, Series 2010A (the "Subordinate Series 2010A Bonds"), Subordinate Airport Revenue Bonds, Series 2010B (the "Subordinate Series 2010B Bonds"), and Subordinate Airport Revenue Bonds, Series 2010C (the "Subordinate Series 2010C Bonds," and collectively with the Subordinate Series 2010A Bonds and the Subordinate Series 2010B Bonds, the "Subordinate Series 2010 Bonds").

Pursuant to the Master Subordinate Indenture, the Third Supplemental Subordinate Trust Indenture, dated as of September 1, 2014 (the "Third Supplemental Subordinate Indenture"), by and between the Authority and the Subordinate Trustee, and the Revolving Credit Agreement, dated as of September 1, 2014, as amended (the "Subordinate Credit Agreement"), by and between the Authority and U.S. Bank National Association (the "Subordinate Revolving Obligations Bank"), the Authority is authorized to issue and have outstanding, from time to time, up to $125,000,000 in aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations (collectively, the "Subordinate Revolving Obligations"). As of July 2, 2017, the Authority had $58,988,000 aggregate principal amount of Subordinate Revolving Obligations outstanding. All Subordinate Revolving Obligations issued by the Authority are purchased by the Subordinate Revolving Obligations Bank in accordance with the terms of the Subordinate Credit Agreement. On or about [August] 1, 2017, the Authority expects to repay $32,550,000 million of the Subordinate Revolving Obligations with a portion of the proceeds of the Subordinate Series 2017A Bonds and certain other available moneys of the Authority.

Additionally, pursuant to the Master Subordinate Indenture, the Fourth Supplemental Subordinate Trust Indenture, dated as of April 1, 2017 (the "Fourth Supplemental Subordinate Indenture"), by and between the Authority and the Subordinate Trustee, the Bondholder's Agreement, dated as of April 1, 2017 (the "Subordinate Drawdown Bondholder's Agreement"), by and between the Authority and RBC Municipal Products, LLC (the "Subordinate Drawdown Bond Purchaser"), and the Bond Purchase Agreement, dated April 19, 2017 (the "Subordinate Drawdown Bond Purchase Agreement"), between RBC Capital Markets LLC (the "Subordinate Drawdown Bond Underwriter") and the Authority, the Authority is authorized to issue and have outstanding, from time to time, up to $100,000,000 in aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Drawdown Bonds (collectively, the "Subordinate Drawdown Bonds"). As of the date of this Official Statement, the Authority had no Subordinate Drawdown Bonds outstanding. When issued, all Subordinate Drawdown Bonds will be purchased by the Subordinate Drawdown Bond Purchaser in accordance with the terms of the Subordinate Drawdown Bondholder's Agreement and the Subordinate Drawdown Bond Purchase Agreement.

The Subordinate Series 2010 Bonds, the Subordinate Revolving Obligations and the Subordinate Drawdown Bonds are collectively referred to in this Official Statement as the "Existing Subordinate

Obligations"; and the Subordinate Series 2017 Bonds, the Existing Subordinate Obligations and any Additional Subordinate Obligations are collectively referred to in this Official Statement as "Subordinate Obligations." The Subordinate Obligations are secured by a pledge of Subordinate Net Revenues and certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Flow of Funds," and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations."

Senior Bonds

Pursuant to the Master Trust Indenture, dated as of November 1, 2005, as amended (the "Master Senior Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Senior Trustee"), and the Third Supplemental Trust Indenture, dated as of January 1, 2013 (the "Third Supplemental Senior Indenture," and collectively with the Master Senior Indenture and all supplements thereto, the "Senior Indenture"), by and between the Authority and the Senior Trustee, the Authority has previously issued and, as of July 2, 2017, there was outstanding $373,310,000 aggregate principal amount of its Senior Airport Revenue Bonds, Series 2013A (the "Senior Series 2013A Bonds"), and Senior Airport Revenue Bonds, Series 2013B (the "Senior Series 2013B Bonds," and together with the Senior Series 2013A Bonds, the "Senior Series 2013 Bonds"). The Senior Series 2013 Bonds are secured by a pledge of and first lien on Net Revenues senior to the Subordinate Obligations (including the Subordinate Series 2017 Bonds). "Net Revenues" include Revenues less Operation and Maintenance Expenses of the Airport System. For purposes of this Official Statement, "Senior Bonds" means the Senior Series 2013 Bonds and any additional bonds or obligations issued or incurred under the terms and provisions of the Master Senior Indenture that are secured on a parity basis by the Net Revenues (the "Additional Senior Bonds"). See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS" and "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Senior Bonds."

Capital Program

The Authority maintains a 5-year capital program that is designed to preserve regulatory compliance, critical infrastructure functions and Airport access. Additionally the capital program seeks to enhance safety, customer service, cost savings and revenue opportunities. The Authority's current 5-year capital program (the "Capital Program") includes projects to be completed in Fiscal Years 2018 through 2022 that have an estimated cost of $1.2 billion. The Capital Program, includes, among other projects, the new Terminal 2 West Parking Plaza (consisting of a 3-story, 2,900 parking space, public parking structure to be located across from Terminal 2), a new Federal Inspection Services ("FIS") facility in Terminal 2 West, and various other airfield, terminal and landside projects. A portion of the proceeds of the Subordinate Series 2017 Bonds will be used to finance certain projects included in the Capital Program (including the Terminal 2 West Parking Plaza and the new FIS facility). In addition to the proceeds of the Subordinate Series 2017 Bonds, the Capital Program has been and will be financed with a combination of proceeds of the previously-issued Subordinate Series 2010 Bonds, the previously-issued Senior Series 2013 Bonds, the previously-issued Series 2014 Special Facilities Bonds (as defined herein) and Additional Senior Bonds expected to be issued in 2018, federal grants, Passenger Facility Charges ("PFCs"), Customer Facility Charges ("CFCs") and certain other available moneys of the Authority. See "PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUNDS," "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Financial Feasibility Report

Included as Appendix A to this Official Statement is a Financial Feasibility Report dated July [__], 2017 (the "Financial Feasibility Report"), prepared by Unison Consulting, Inc. (the "Feasibility Consultant"), in conjunction with the issuance of the Subordinate Series 2017 Bonds. The Financial Feasibility Report includes, among other things, a description of the underlying economic base of SDIA's air service area; a description of historical air traffic activity at SDIA; the Feasibility Consultant's projections for air traffic activity at SDIA through Fiscal Year 2023 and a description of the assumptions on which such projections were based; a description of existing and planned facilities at SDIA; and the Feasibility Consultant's projections of debt service, debt service coverage, expenses and revenues through Fiscal Year 2023 and a description of the assumptions upon which such projections were based. Inevitably, some assumptions used to develop the projections in the Financial Feasibility Report will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. The projections contained in the Financial Feasibility Report are not necessarily indicative of future performance, and neither the Feasibility Consultant nor the Authority assume any responsibility for the failure to meet such projections. The Financial Feasibility Report is an integral part of this Official Statement and should be read in its entirety. See "—Forward-Looking Statements" and "CERTAIN INVESTMENT CONSIDERATIONS—Financial Feasibility Report" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Continuing Disclosure

The Authority will covenant for the benefit of the owners and beneficial owners of the Subordinate Series 2017 Bonds to annually provide, or cause to be provided, certain financial information and operating data concerning the Authority and the Airport System, and to provide, or cause to be provided, notices of certain enumerated events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access System (the "EMMA System") or any successor method designated by the MSRB, pursuant to the requirements of Rule 15c2-12 of the Securities Exchange Commission. See "CONTINUING DISCLOSURE" and "APPENDIX E—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Investment Considerations

The purchase and ownership of the Subordinate Series 2017 Bonds involve investment risks. Prospective purchasers of the Subordinate Series 2017 Bonds should read this Official Statement in its entirety. For a discussion of certain risks relating to the Subordinate Series 2017 Bonds, see "CERTAIN INVESTMENT CONSIDERATIONS."

Forward-Looking Statements

The statements contained in this Official Statement that are not purely historical, are forward-looking statements, including statements regarding the Authority's expectations, hopes, intentions or strategies regarding the future. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget," "project," "forecast," "will likely result," "are expected to," "will continue," "is anticipated," "intend" or other similar words. Prospective investors should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority on the date hereof, and the Authority assumes no obligation to update any such forward-looking statements. It is important to note that the Authority's actual financial and operating results likely will differ, and could differ materially, from those in such forward-looking statements.

The forward-looking statements herein are based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including airlines, customers, suppliers and competitors, among others, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Authority. Any such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Additional Information

Brief descriptions of the Subordinate Series 2017 Bonds, the Senior Indenture, the Subordinate Indenture, the Airline Lease Agreements (as defined herein) and certain other documents are included in this Official Statement and the appendices hereto. Such descriptions do not purport to be comprehensive or definitive. All references herein to such documents and any other documents, statutes, laws, reports or other instruments described herein are qualified in their entirety by reference to each such document, statute, law, report or other instrument. The information herein is subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is not to be construed as a contract or agreement between the Authority and the purchasers or owners of any of the Subordinate Series 2017 Bonds. The Authority maintains a website, the information on which is not part of this Official Statement, has not and is not incorporated by reference herein, and should not be relied upon in deciding whether to invest in the Subordinate Series 2017 Bonds.

PLAN OF FINANCE AND ESTIMATED SOURCES AND USES OF FUND

Plan of Finance

General. The Subordinate Series 2017 Bonds are being issued to (a) pay and/or reimburse the Authority for the costs of the Subordinate Series 2017 Projects (as defined below under "Subordinate Series 2017 Projects"), (b) repay $32,550,000 aggregate principal amount of the outstanding Subordinate Revolving Obligations, (c) fund a portion of the interest accruing on the Subordinate Series 2017 Bonds through and including [January/July] 1, 20[__], (d) make a deposit to the Subordinate Reserve Fund, and (e) pay the costs of issuance of the Subordinate Series 2017 Bonds.

Subordinate Series 2017 Projects. The Subordinate Series 2017 Bonds are being issued to, among other things, finance a portion of the costs of certain projects included in the Capital Program (the "Subordinate Series 2017 Projects"). The Subordinate Series 2017 Projects include, among others, the Terminal 2 West Parking Plaza (a three-story parking garage being built in front of Terminal 2 that will provide approximately 2,900 parking spaces (a net of 1,700 new parking spaces over the number that were available at SDIA prior to the start of construction of the parking plaza), and the new FIS facility in Terminal 2 West. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Subordinate Series 2017 Bonds:

	Subordinate Series 2017A Bonds	Subordinate Series 2017B Bonds	Total
Sources			
Principal Amount	$	$	$
Original Issue Premium/(Discount}			
Total Sources	$	$	$
Uses			
Deposit to Construction Funds	$	$	$
Repayment of Subordinate Revolving Obligations			
Deposit to Capitalized Interest Accounts[1]			
Deposit to Subordinate Reserve Fund			
Costs of Issuance[2]			
Total Uses	$	$	$

[1] Represents a portion of the interest accruing on the Subordinate Series 2017 Bonds.
[2] Includes Underwriters' discount, legal and other costs of issuance.

DESCRIPTION OF THE SUBORDINATE SERIES 2017 BONDS

General

The Subordinate Series 2017 Bonds will bear interest at the rates and mature on the dates set forth on the inside cover pages of this Official Statement. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Subordinate Series 2017 Bonds will be dated their date of delivery, and will bear interest from that date, payable semi-annually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing on [January] 1, 2018. Interest due and payable on the Subordinate Series 2017 Bonds on any Interest Payment Date will be paid to the registered owner as of the Record Date (Cede & Co., so long as the book-entry system with The Depository Trust Company ("DTC") is in effect). Each Subordinate Series 2017 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Subordinate Series 2017 Bond will bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Subordinate Series 2017 Bond will bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before [December] 15, 2017, in which event such Subordinate Series 2017 Bond will bear interest from its date of delivery. If interest on the Subordinate Series 2017 Bonds is in default, Subordinate Series 2017 Bonds issued in exchange for Subordinate Series 2017 Bonds surrendered for transfer or exchange will bear interest from the Interest Payment Date to which interest has been paid in full on the Subordinate Series 2017 Bonds surrendered.

The Subordinate Series 2017 Bonds will be issued in denominations of $5,000 or integral multiples thereof. The Subordinate Series 2017 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of DTC. DTC will act as securities depository for the Subordinate Series 2017 Bonds. Individual purchases may be made in book-entry-form only. Purchasers will not receive certificates representing their interest in the Subordinate Series 2017 Bonds purchased. So long as Cede & Co., as a nominee of DTC, is the registered owner of the Subordinate Series 2017 Bonds, references herein to the Holders or registered owners means Cede & Co., and does not mean the Beneficial Owners of the Subordinate Series 2017 Bonds.

So long as Cede & Co. is the registered owner of the Subordinate Series 2017 Bonds, principal of and interest on the Subordinate Series 2017 Bonds will be payable by wire transfer by the Senior Trustee to Cede & Co., as nominee for DTC, which is required, in turn, to remit such amounts to the DTC Participants, for subsequent disbursement to the Beneficial Owners. See "APPENDIX F—BOOK-ENTRY-ONLY SYSTEM."

Redemption Provisions

Optional Redemption. The Subordinate Series 2017A Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to maturity. The Subordinate Series 2017A Bonds maturing on or after July 1, 20___ are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 20___ at a redemption price equal to 100% of the principal amount of the Subordinate Series 2017A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The Subordinate Series 2017B Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to maturity. The Subordinate Series 2017B Bonds maturing on or after July 1, 20___ are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 20___ at a redemption price equal to 100% of the principal amount of the Subordinate Series 2017B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Subordinate Series 2017A Bonds maturing on July 1, 20___ (the "Subordinate Series 2017A Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date (July 1)	Principal Amount

* Final Maturity.

The Subordinate Series 2017B Bonds maturing on July 1, 20___ (the "Subordinate Series 2017B Term Bonds," and together with the Subordinate Series 2017A Term Bonds," the "Subordinate Series 2017 Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date (July 1)	Principal Amount

[*] Final Maturity.

At the option of the Authority, to be exercised by delivery of a written certificate to the Subordinate Trustee on or before the 60th day next preceding any mandatory sinking fund redemption date for the Subordinate Series 2017 Term Bonds, it may (a) deliver to the Subordinate Trustee for cancellation Subordinate Series 2017 Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (b) specify a principal amount of Subordinate Series 2017 Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Subordinate Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Subordinate Series 2017 Term Bond or portion thereof so purchased or otherwise acquired or redeemed and delivered to the Subordinate Trustee for cancellation will be credited by the Subordinate Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of such applicable Subordinate Series 2017 Term Bond on such mandatory sinking fund redemption date.

Notices of Redemption to Holders; Conditional Notice of Optional Redemption. The Subordinate Trustee will give notice of redemption, in the name of the Authority, to Holders affected by redemption (or DTC, so long as the book-entry system with DTC is in effect) at least 30 days but not more than 60 days before each redemption date and send such notice of redemption by first class mail (or with respect to Subordinate Series 2017 Bonds held by DTC via electronic means or by an express delivery service for delivery on the next following Business Day or by such other means as permitted or required by DTC's procedures) to each Holder of a Subordinate Series 2017 Bond to be redeemed; each such notice will be sent to the Holder's registered address.

Each notice of redemption will specify the Series, the issue date, the maturity date, the interest rate and the CUSIP number of each Subordinate Series 2017 Bond to be redeemed, if less than all Subordinate Series 2017 Bonds of a Series, maturity date and interest rate are called for redemption the numbers assigned to the Subordinate Series 2017 Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, the Subordinate Trustee's name, that payment will be made upon presentation and surrender of the Subordinate Series 2017 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

Failure to give any required notice of redemption as to any particular Subordinate Series 2017 Bond will not affect the validity of the call for redemption of any Subordinate Series 2017 Bonds in respect of which no failure occurs. Any notice sent as provided in the Subordinate Indenture will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Subordinate Series 2017 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. Provided funds are deposited with the Subordinate Trustee sufficient for redemption, interest on the Subordinate Series 2017 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

The Authority may provide that, if at the time of mailing of notice of an optional redemption there has not been deposited with the Subordinate Trustee moneys sufficient to redeem all the Subordinate Series 2017 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Subordinate Trustee not later than the opening of business one Business Day prior to the scheduled redemption date, and such notice will be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption will be cancelled and on such cancellation date notice of such cancellation will be mailed to the Holders of such Subordinate Series 2017 Bonds called for redemption.

Effect of Redemption. On the date so designated for redemption, notice having been given in the manner and under the conditions provided in the Subordinate Indenture and as described above and sufficient moneys for payment of the redemption price being held in trust to pay the redemption price, the Subordinate Series 2017 Bonds called for redemption will become and be due and payable on the redemption date, interest on such Subordinate Series 2017 Bonds will cease to accrue from and after such redemption date, such Subordinate Series 2017 Bonds will cease to be entitled to any lien, benefit or security under the Subordinate Indenture and the Holders of such Subordinate Series 2017 Bonds will have no rights in respect thereof except to receive payment of the redemption price. Subordinate Series 2017 Bonds which have been duly called for redemption and for which moneys for the payment of the redemption price are held in trust for the Holders thereof, all as provided in the Fifth Supplemental Subordinate Indenture, will not be deemed to be Outstanding under the provisions of the Subordinate Indenture.

Selection of Subordinate Series 2017 Bonds for Redemption; Subordinate Series 2017 Bonds Redeemed in Part. Redemption of the Subordinate Series 2017 Bonds will only be in Authorized Denominations. The Subordinate Series 2017 Bonds are subject to redemption in such order of maturity and interest rate within in a Series (except mandatory sinking fund payments on the Subordinate Series 2017 Term Bonds) as the Authority may direct, and by lot within such maturity and interest rate selected in such manner as the Subordinate Trustee (or DTC, as long as DTC is the securities depository for the Subordinate Series 2017 Bonds), deems appropriate.

Except as otherwise provided under the procedures of DTC, on or before the 45th day prior to any mandatory sinking fund redemption date, the Subordinate Trustee will proceed to select for redemption (by lot in such manner as the Subordinate Trustee may determine), from the applicable Subordinate Series 2017 Term Bonds subject to such redemption, an aggregate principal amount of such applicable Subordinate Series 2017 Term Bonds equal to the amount for such year as set forth in the applicable table under “Mandatory Sinking Fund Redemption” above and will call such Subordinate Series 2017 Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS

Flow of Funds

The application of Revenues of the Authority is governed by the Master Senior Indenture and the Subordinate Indenture. Pursuant to the Master Senior Indenture, the Authority covenanted to establish and maintain an account designated as the “Revenue Account” within the Revenue Fund and to deposit all Revenues, when and as received, in the Revenue Account.

“Revenues” are generally defined in the Master Senior Indenture to mean, except to the extent specifically excluded therefrom, all income, receipts, earnings and revenues received by the Authority from the operation and ownership of the Airport System, as determined in accordance with generally accepted accounting principles, as modified from time to time, including, but not limited to: (a) rates, tolls, fees, rentals, charges and other payments made to or owed to the Authority for the use or availability of the Airport System; and (b) amounts received or owed from the sale or provision of supplies, materials, goods and services provided by or made available by the Authority, including rental or business interruption insurance proceeds received by, held by, accrued to or entitled to be received by the Authority or any successor thereto from the possession, management, charge, superintendence and control of the Airport System and its related facilities or activities and undertakings related thereto or from any other facilities wherever located with respect to which the Authority receives payments which are attributable to the Airport System or activities or undertakings related thereto. Revenues also include amounts received from tenants representing the principal portion of payments received pursuant to certain self-liquidating lease agreements, all income, receipts and earnings (except any earnings allowed to be pledged by the terms of a supplemental indenture to fund a construction fund) from the investment of amounts held in the Revenue Account, any construction fund, any debt service fund (except Capitalized Interest on deposit therein), any debt service reserve fund and such additional revenues, if any, as are designated as "Revenues" under the terms of a supplemental indenture. Unless otherwise designated as "Revenues" under the terms of a Supplemental Senior Indenture or pursuant to a certificate of the Authority, PFCs, grants and other charges authorized by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System, Capitalized Interest, CFCs, and the cash subsidy payments the Authority receives from the United States Treasury equal to a portion of the interest payable on the Subordinate Series 2010C Bonds (the "Federal Direct Payments") are specifically excluded from Revenues. The Authority has not designated, pursuant to a Supplemental Senior Indenture or a certificate of the Authority, PFCs, grants and other charges authorized by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System, Capitalized Interest, CFCs or Federal Direct Payments as Revenues. However, see "—Use of PFCs to Pay Debt Service" below for a discussion regarding the Authority's irrevocable commitment of a portion of the PFCs received by the Authority to pay debt service on PFC Eligible Bonds (as defined herein). In addition to the irrevocably committed PFCs, the Authority expects to apply a portion of the PFCs it receives to the payment of debt service on the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds (see "—Use of PFCs to Pay Debt Service" below). Additionally, although not included in Revenues, (1) the Authority expects to apply the Federal Direct Payments to the payment of debt service on the Subordinate Series 2010 Bonds, and (2) the Capitalized Interest on deposit in the debt service funds for the Subordinate Series 2017 Bonds is subject to a lien on and security interest in favor of the Holders of the Subordinate Series 2017 Bonds.

Pursuant to the Master Senior Indenture, all Revenues will be deposited in the Revenue Account and will be set aside for the payment of the following amounts or deposited or transferred to the following funds and subaccounts in the order listed:

(1) *Operation and Maintenance Subaccount*. On or prior to the 20th day of each month, the Authority will deposit in the Operation and Maintenance Subaccount an amount equal to one-twelfth of the estimated Operation and Maintenance Expenses of the Airport System for the then current Fiscal Year as set forth in the budget of the Authority for such Fiscal Year as finally approved by the Authority. In the event that the balance in the Operation and Maintenance Subaccount at any time is insufficient to make any required payments therefrom, additional amounts at least sufficient to make such payments will immediately be deposited in the Operation and Maintenance Subaccount from the Revenue Account, and such additional amounts will be credited against the next succeeding monthly deposit from the Revenue Account.

(2) *Senior Debt Service Funds*. On or prior to the 15th day of each calendar month, Revenues will be transferred by the Authority to the Senior Trustee for deposit in the debt service funds established in respect of each series of Senior Bonds (the "Senior Debt Service Funds") equal to: (a) 1/6 of the interest coming due on the Senior Bonds on the next interest payment date for the Senior Bonds, provided that at least the full amount required to pay the interest on the

Senior Bonds, as it becomes due, will be set aside in the Senior Debt Service Funds by not later than the 15th day of the month prior to the date each installment of interest becomes due, (b) 1/12 of the principal amount of the Senior Bonds maturing on the next principal payment date, provided that at least the full amount required to pay the principal amount of the Senior Bonds, as it becomes due, will be set aside in the Senior Debt Service Funds by not later than the 15th day of the month prior to the date such principal amount becomes due, and (c) 1/12 of the sinking installment payments, if any, with respect to the Senior Bonds subject to mandatory sinking fund redemption (the "Senior Term Bonds") on the next redemption date, provided that at least the full amount required to pay the sinking installment payment, if any, with respect to the Senior Term Bonds will be set aside in the Senior Debt Service Funds by not later than the 15th day of the month prior to the date such sinking installment payment becomes due. Additionally, if provided for in a senior supplemental indenture, regularly scheduled swap payments on a qualified swap may be payable from Net Revenues on a parity basis with the outstanding Senior Bonds.

(3) *Senior Debt Service Reserve Funds*. A sufficient amount of Revenues will be transferred by the Authority, without priority and on an equal basis, except as to timing of payment to the Senior Trustee for deposit into the respective debt service reserve funds established pursuant to the Senior Indenture, if any, at the times and in such amounts as required to be used to pay or replenish such debt service reserve funds or reimburse a credit provider of a debt service reserve fund surety. As of the date of this Official Statement, the debt service reserve fund for the Senior Series 2013 Bonds is the only debt service reserve fund established for Senior Bonds.

(4) *Subordinate Obligations Debt Service Funds*. On or prior to the 20th day of each calendar month, Revenues will be transferred by the Authority to the Subordinate Trustee for deposit in the debt service funds established in respect of each series of Subordinate Obligations (the "Subordinate Debt Service Funds") equal to: (a) 1/6 of the interest coming due on the Subordinate Obligations on the next interest payment date for the Subordinate Obligations, provided that at least the full amount required to pay the interest on the Subordinate Obligations, as it becomes due, will be set aside in the Subordinate Debt Service Funds by not later than the 20th day of the month prior to the date each installment of interest becomes due, (b) 1/12 of the principal amount of the Subordinate Obligations maturing on the next principal payment date, provided that at least the full amount required to pay the principal amount of the Subordinate Obligations, as it becomes due, will be set aside in the Subordinate Debt Service Funds by not later than the 20th day of the month prior to the date such principal amount becomes due, and (c) 1/12 of the sinking installment payments, if any, with respect to the Subordinate Obligations subject to mandatory sinking fund redemption (the "Subordinate Term Obligations") on the next redemption date, provided that at least the full amount required to pay the sinking installment payment, if any, with respect to the Subordinate Term Obligations will be set aside in the Subordinate Debt Service Funds by not later than the 20th day of the month prior to the date such sinking installment payment becomes due.

(5) *Subordinate Obligations Debt Service Reserve Funds*. On or prior to the 20th day of each month, upon any deficiency in any debt service reserve fund established by or for the benefit of the Authority in connection with the Subordinate Obligations, the Authority will deposit in such debt service reserve fund an amount equal to: (a) one-twelfth of the aggregate amount of each unreplenished prior withdrawal from such debt service reserve fund; and (b) the full amount of any deficiency in such debt service reserve fund due to any required valuations of the investments in such debt service reserve fund until the balance in such debt service reserve fund is at least equal to the debt service reserve requirement with respect to such Subordinate Obligations. See "—Subordinate Reserve Fund" below.

(6) *Operation and Maintenance Reserve Subaccount.* On or prior to the 20th day of each month, to the payment of the amounts required to be deposited in the Operation and Maintenance Reserve Subaccount which are payable from Net Revenues as specified in the Master Senior Indenture.

(7) *Renewal and Replacement Subaccount*. On or prior to the 20th day of each month, to the payment of the amounts required to be deposited in the Renewal and Replacement Subaccount as specified in the Master Senior Indenture.

All moneys and investments on deposit in the Revenue Account and not on deposit in any of the funds or subaccounts provided for as described in (1) through (7) above, are required under the Master Senior Indenture, on the last Business Day of each Fiscal Year, to be transferred from the Revenue Account to the Revenue Fund, unless and to the extent the Authority directs otherwise.

Following is a graphic description of the flow of funds described above, and the flow of PFC Revenues. See "—Use of PFCs to Pay Debt Service."

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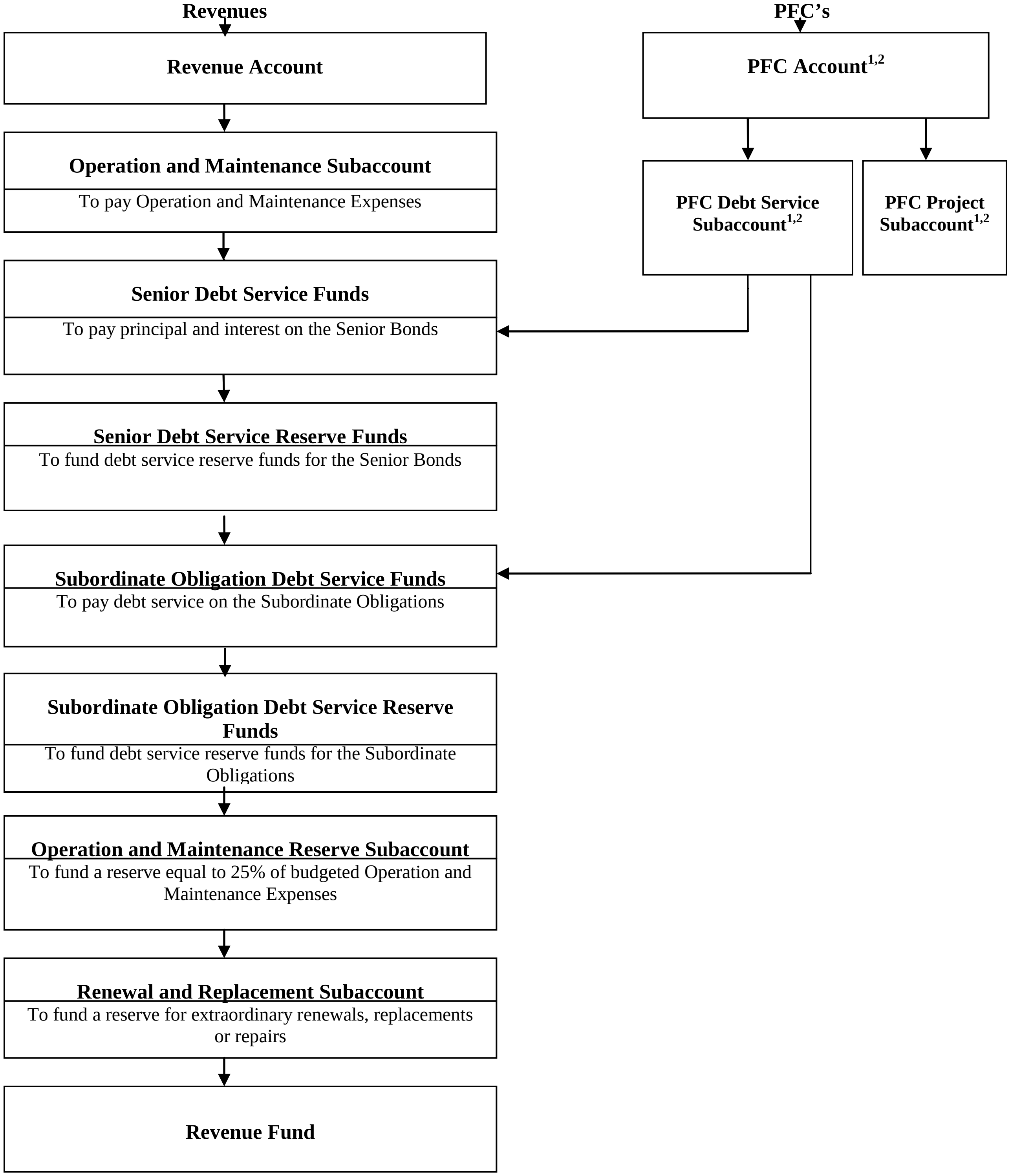
San Diego County Regional Airport Authority
Flow Of Funds



[1] Revenues do not include PFC revenues unless otherwise included in Revenues pursuant to a Supplemental Senior Indenture or a certificate of the Authority. To date, the Authority has not elected, and the Authority has no current plans to elect, to include PFC revenues in Revenues. However, see "—Use of PFCs to Pay Debt Service" below for a discussion regarding the Authority's irrevocable commitment of a portion of the PFCs received by the Authority to pay debt service on PFC Eligible Bonds. In addition to the irrevocably committed PFCs, the Authority

expects to apply a portion of the PFCs it receives to the payment of debt service on the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds. See "—Use of PFCs to Pay Debt Service" below. See also "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Passenger Facility Charges" for additional information about the Authority's expected use of PFC revenues.

[2] [During a Fiscal Year, all PFCs in the PFC Account will be first deposited to the PFC Debt Service Subaccount until an amount equal to the PFCs irrevocably committed by the Authority to the payment of debt service on the PFC Eligible Bonds for such Fiscal Year have been deposited to the PFC Debt Service Subaccount. No PFCs will be deposited to the PFC Project Subaccount during a Fiscal Year until the PFC Debt Service Subaccount has been fully funded.]

Pledge of Subordinate Net Revenues

The Subordinate Series 2017 Bonds are special obligations of the Authority payable solely from and secured by a pledge of Subordinate Net Revenues. The Subordinate Series 2017 Bonds also are secured by a pledge of amounts held by the Subordinate Trustee in certain funds and accounts pursuant to the Subordinate Indenture, as further described herein. See "—Use of PFCs to Pay Debt Service" below for a discussion regarding the Authority's irrevocable commitment of a portion of the PFCs received by the Authority to pay debt service on PFC Eligible Bonds.

"Subordinate Net Revenues" are, for any given period, Revenues for such period, less all amounts which are required to be used to pay the Operation and Maintenance Expenses of the Airport System for such period, the debt service on the Senior Bonds for such period, and the reserve and replenishment requirements on and relating to the Senior Bonds for such period, if any. See "—Flow of Funds" above.

"Operation and Maintenance Expenses of the Airport System" are, for any given period, the total operation and maintenance expenses of the Airport System as determined in accordance with generally accepted accounting principles as in effect from time to time, excluding depreciation expense and any operation and maintenance expenses of the Airport System payable from moneys other than Revenues (including, but not limited to, any non-cash items that are required to be treated as operation and maintenance expenses of the Airport System in accordance with generally accepted accounting principles).

None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Subordinate Series 2017 Bonds, and neither the full faith and credit nor the taxing power of the Authority, the City, the County, the State or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Subordinate Series 2017 Bonds.

Subordinate Net Revenues are available for the equal and proportionate benefit and security of all Subordinate Obligations (including the Subordinate Series 2017 Bonds). The Subordinate Series 2017 Bonds are secured by a pledge of and lien on Subordinate Net Revenues on parity with the Subordinate Series 2010 Bonds, the Subordinate Revolving Obligations, the Subordinate Drawdown Bonds and any Additional Subordinate Obligations issued in the future. See "—Additional Subordinate Obligations" below.

Subordinate Rate Covenant

(a) Under the Master Subordinate Indenture, the Authority has covenanted that while any Subordinate Obligations remain Outstanding (but subject to all prior existing contracts and legal obligations of the Authority), it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that Subordinate Net Revenues in each Fiscal Year will be at least equal to the following amounts:

> (i) the interest on and principal of the Outstanding Subordinate Obligations required to be funded by the Authority in such Fiscal Year as required by the Master Subordinate Indenture or any Supplemental Subordinate Indenture with respect to the Outstanding Subordinate Obligations;
>
> (ii) the required deposits to any Subordinate Debt Service Reserve Fund which may be established by a Supplemental Subordinate Indenture;

(iii) the reimbursement owed to any Credit Provider or Liquidity Provider as required by a Supplemental Subordinate Indenture;

(iv) the interest on and principal of any indebtedness required to be funded during such Fiscal Year other than Special Facility Obligations, Senior Bonds and Outstanding Subordinate Obligations, but including obligations issued with a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations; and

(v) payments of any reserve requirement for debt service for any indebtedness other than Senior Bonds and Outstanding Subordinate Obligations, but including obligations issued with a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations.

(b) The Authority has further agreed that it will establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the Subordinate Net Revenues will be equal to at least 110% of the total Subordinate Annual Debt Service on the Outstanding Subordinate Obligations for such Fiscal Year.

The Authority has covenanted that if Subordinate Net Revenues in any Fiscal Year are less than the amounts described in paragraphs (a) and (b) above, the Authority will retain and direct a Consultant to make recommendations as to the revision of the Authority's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Authority in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made the Authority will take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to produce Subordinate Net Revenues in the next succeeding Fiscal Year sufficient to comply with paragraphs (a) and (b) above.

In the event Subordinate Net Revenues for any Fiscal Year are less than the amounts described in paragraphs (a) and (b) above, but the Authority has promptly taken prior to or during the next succeeding Fiscal Year all lawful measures to revise the schedule of rentals, rates, fees and charges as described in the preceding paragraph, such deficiency in Subordinate Net Revenues will not constitute an Event of Default under the Master Subordinate Indenture. However, if after taking the measures described in the preceding paragraph to revise the schedule of rentals, rates, fees and charges, Subordinate Net Revenues in the next succeeding Fiscal Year (as evidenced by the audited financial statements of the Authority for such Fiscal Year) are less than the amounts described in paragraphs (a) and (b) above, such deficiency in Subordinate Net Revenues will constitute an Event of Default under the Master Subordinate Indenture.

Pursuant to the Master Subordinate Indenture, the Authority may exclude from its calculation of Subordinate Aggregate Annual Debt Service with respect to the Subordinate Obligations, for the purpose of determining compliance with the rate covenant described above, the payment of debt service or portions thereof on Subordinate Obligations whose debt service is payable from amounts not included in Revenues, including, but not limited to PFC revenues, Federal Direct Payments and Capitalized Interest. The exclusion of such debt service could result in higher debt service coverage ratios. The Authority expects to use (a) PFC revenues to pay a portion of the debt service on the Senior Series 2013 Bonds, the Subordinate Series 2010 Bonds, [and certain Additional Senior Bonds/Additional Subordinate Obligations expected to be issued in the future], (b) Federal Direct Payments to pay a portion of the debt service on the Subordinate Series 2010 Bonds, and (c) Capitalized Interest to pay a portion of the debt service on the Subordinate Series 2017 Bonds. The Authority does not expect to use any PFCs to pay debt service on the Subordinate Series 2017 Bonds. See "—Use of PFCs to Pay Debt Service," "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital

Program—Passenger Facility Charges" and "CERTAIN INVESTMENT CONSIDERATIONS—Availability of PFCs" for additional information about the Authority's expected use of PFC revenues. See also "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Subordinate Reserve Fund

Pursuant to the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture, the Authority established a Subordinate Debt Service Reserve Fund (the "Subordinate Reserve Fund") with the Subordinate Trustee to secure any Subordinate Obligations the Authority elects to participate in the Subordinate Reserve Fund. At the time of issuance of the Subordinate Series 2010 Bonds, the Authority elected to have the Subordinate Series 2010 Bonds participate in the Subordinate Reserve Fund. Additionally, at the time of issuance of the Subordinate Series 2017 Bonds, the Authority will elect to have the Subordinate Series 2017 Bonds participate in the Subordinate Reserve Fund. The Subordinate Series 2010 Bonds, the Subordinate Series 2017 Bonds and any Additional Subordinate Obligations the Authority elects to have participate in the Subordinate Reserve Fund are collectively referred to in this Official Statement as the "Subordinate Reserve Fund Participating Bonds."

Moneys and investments held in the Subordinate Reserve Fund may only be used to pay the principal of and interest on the Subordinate Reserve Fund Participating Bonds (including the Subordinate Series 2017 Bonds). Moneys and investments held in the Subordinate Reserve Fund are not available to pay debt service on the Senior Bonds, the Subordinate Revolving Obligations, the Subordinate Drawdown Bonds or any Subordinate Obligations for which the Authority has decided will not participate in the Subordinate Reserve Fund. The Subordinate Reserve Fund may be drawn upon if the amounts in the respective Subordinate Debt Service Funds for the Subordinate Reserve Fund Participating Bonds are insufficient to pay in full any principal or interest then due on the Subordinate Reserve Fund Participating Bonds. In the event any amounts are required to be withdrawn from the Subordinate Reserve Fund, such amounts will be withdrawn and deposited pro rata to meet the funding requirements of the Subordinate Reserve Fund Participating Bonds.

Except as otherwise described below, the Subordinate Reserve Fund is required to be funded at all times in an amount equal to the "Subordinate Reserve Requirement." The Subordinate Reserve Requirement is equal to the lesser of (a) Subordinate Maximum Aggregate Annual Debt Service for the Subordinate Reserve Fund Participating Bonds; (b) 10% of the principal amount of the Subordinate Reserve Fund Participating Bonds, less the amount of original issue discount with respect to such Subordinate Reserve Fund Participating Bonds if such original issue discount exceeded 2% on such Subordinate Reserve Fund Participating Bonds at the time of their original sale; and (c) 125% of the average Subordinate Aggregate Annual Debt Service for the Subordinate Reserve Fund Participating Bonds. At the time of issuance of any Additional Subordinate Obligations which the Authority elects to have participate in the Subordinate Reserve Fund, the Authority will be required to deposit an amount to the Subordinate Reserve Fund sufficient to cause the amount then on deposit in the Subordinate Reserve Fund to equal the Subordinate Reserve Requirement. Such deposit to the Subordinate Reserve Fund can be made at the time of issuance of such Additional Subordinate Obligations or within 12 months of the date of issuance of such Additional Subordinate Obligations (such deposit being made in 12 substantially equal monthly installments). At the time of issuance of the Subordinate Series 2017 Bonds, a portion of the proceeds of the Subordinate Series 2017 Bonds will be deposited to the Subordinate Reserve Fund in order to satisfy the Subordinate Reserve Requirement, which will be $____________ at the time of issuance of the Subordinate Series 2017 Bonds.

The Authority may fund all or a portion of the Subordinate Reserve Requirement with a Reserve Fund Insurance Policy. A Reserve Fund Insurance Policy may be an insurance policy, letter of credit, qualified surety bond or other financial instrument deposited in the Subordinate Reserve Fund in lieu of or in partial substitution for cash or securities which is provided by an institution rated, at the time of issuance of such policy, letter of credit, surety bonds or other financial instrument, in one of the two highest long term rating categories by one or more of the Rating Agencies. Any such Reserve Fund Insurance Policy must either extend to the final maturity of the Series of Subordinate Obligations for which the Reserve Fund Insurance Policy was issued, or the Authority must agree, by Supplemental Subordinate Indenture, that the Authority will replace such Reserve Fund Insurance Policy prior to its expiration with another Reserve Fund Insurance Policy, or with cash. Any such Reserve Fund Insurance Policy will be required to secure all of the Subordinate Reserve Fund Participating Bonds.

The Subordinate Reserve Fund is currently, and will be at the time of issuance of the Subordinate Series 2017 Bonds, funded with cash and securities. No portion of the Subordinate Reserve Fund has been, or will be at the time of issuance of the Subordinate Series 2017 Bonds, funded with a Reserve Fund Insurance Policy.

Additional Subordinate Obligations

The Master Subordinate Indenture provides the Authority with flexibility as to establishing the nature and terms of any Additional Subordinate Obligations. Additional Subordinate Obligations may be issued under the Master Subordinate Indenture on a parity with the Subordinate Series 2017 Bonds, provided, among other things, that there is delivered to the Subordinate Trustee either:

(a) a certificate, dated as of a date between the date of pricing of the Subordinate Obligations being issued and the date of delivery of such Subordinate Obligations (both dates inclusive), prepared by an Authorized Authority Representative showing the Subordinate Net Revenues for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations or preceding the first issuance of the proposed Subordinate Program Obligations were at least equal to 110% of Subordinate Maximum Aggregate Annual Debt Service with respect to all Outstanding Subordinate Obligations, Unissued Subordinate Program Obligations and the proposed Series of Subordinate Obligations, calculated as if the proposed Series of Subordinate Obligations and the full Subordinate Authorized Amount of such proposed Subordinate Program Obligations (as applicable) were then Outstanding; or

(b) a certificate dated as of a date between the date of pricing of the Subordinate Obligations being issued and the date of delivery of such Subordinate Obligations (both dates inclusive), prepared by a Consultant showing that:

(i) the Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Subordinate Obligations or the establishment of a Subordinate Program, were at least equal to 110% of the sum of Subordinate Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations for such applicable period;

(ii) for the period, if any, from and including the first full Fiscal Year following the issuance of such proposed Series of Subordinate Obligations through and including the last Fiscal Year during any part of which the amount of interest on such Series of Subordinate Obligations to be on deposit in the respective Subordinate Debt Service Fund or such other fund or account is expected to be funded from the proceeds thereof, the Consultant estimates that the Authority will be in compliance with the rate covenant under the Subordinate Indenture (see "—Subordinate Rate Covenant" above); and

(iii) for the period from and including the first full Fiscal Year following the issuance of such proposed Series of Subordinate Obligations during which no amount of interest on such Series of Subordinate Obligations to be on deposit in the respective Subordinate Debt Service Fund or such other Fund or Account is expected to be funded from the proceeds thereof through and including the later of: (A) the fifth full Fiscal Year following the issuance of such Series of Subordinate Obligations, or (B) the third full Fiscal Year during which no amount of interest on such Series of Subordinate Obligations to be on deposit in the respective Subordinate Debt Service Fund or such other Fund or Account is expected to be funded from the proceeds thereof, the estimated Subordinate Net Revenues for each such Fiscal Year, will be at least equal to 110% of the Subordinate Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Subordinate Obligations, Unissued Subordinate Program Obligations and calculated as if the proposed Series of Subordinate Obligations and the full Authorized Amount of such proposed Subordinate Program Obligations (as applicable) were then Outstanding.

The certificate described in (b) above is expected to be delivered by the Feasibility Consultant at the time of issuance of the Subordinate Series 2017 Bonds. As described in "—Use of PFCs to Pay Debt Service" below, the Authority has irrevocably committed $10 million of PFCs through July 1, 2018 to the payment of debt service on PFC Eligible Bonds. When it delivers the certificate described in (b) above, the Feasibility Consultant will exclude debt service on the portion of the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds to be paid from the irrevocably committed PFCs, which will result in higher debt service coverage ratios.

For purposes of clauses (b)(ii) and (iii) above, in estimating Subordinate Net Revenues, the Consultant may take into account (1) Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided; (2) any increase in fees, rates, charges, rentals or other sources of Revenues which have been approved by the Authority and will be in effect during the period for which the estimates are provided; and (3) any other increases in Revenues which the Consultant believes to be a reasonable assumption for such period. With respect to Operation and Maintenance Expenses of the Airport System, the Consultant may use such assumptions as the Consultant believes to be reasonable, taking into account: (x) historical Operation and Maintenance Expenses of the Airport System; (y) Operation and Maintenance Expenses of the Airport System associated with the Projects and any other new Airport Facilities; and (z) such other factors, including inflation and changing operations or policies of the Authority, as the Consultant believes to be appropriate. The Consultant will include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Subordinate Net Revenues, and will also set forth the calculations of Subordinate Aggregate Annual Debt Service, which calculations may be based upon information provided by another Consultant.

For purposes of preparing the certificate or certificates described above, the Consultant or Consultants or the Authorized Authority Representative may rely upon financial statements prepared by the Authority which have not been subject to audit by an independent certified public accountant if audited financial statements for the Fiscal Year or period are not available; provided, however, that an Authorized Authority Representative will certify as to their accuracy and that such financial statements were prepared substantially in accordance with generally accepted accounting principles, subject to year-end adjustments.

Neither of the certificates described above in (a) or (b) will be required if:

(A) the Subordinate Obligations being issued are for the purpose of refunding then Outstanding Subordinate Obligations and there is delivered to the Subordinate Trustee, instead, a certificate of an Authorized Authority Representative showing that Subordinate Aggregate Annual Debt Service after the issuance of the Refunding Subordinate Obligations will not exceed the Subordinate Aggregate Annual Debt Service prior to the issuance of such Refunding Subordinate Obligations for each Fiscal Year;

(B) the Subordinate Obligations being issued constitute Subordinate Notes and there is delivered to the Subordinate Trustee, instead, a certificate prepared by an Authorized Authority Representative showing that the principal amount of the proposed Subordinate Notes being issued, together with the principal amount of any Subordinate Notes then Outstanding, does not exceed 10% of the Subordinate Net Revenues for any 12 consecutive months out of the most recent 24 months immediately preceding the issuance of the proposed Subordinate Notes and there is delivered to the Subordinate Trustee a certificate of an Authorized Authority Representative setting forth calculations showing that for each of the Fiscal Years during which the Subordinate Notes will be Outstanding, and taking into account the debt service becoming due on such Subordinate Notes, the Authority will be in compliance with the rate covenant under the Subordinate Indenture (see "—Subordinate Rate Covenant" above); or

(C) if the Subordinate Obligations being issued are to pay costs of completing a Project for which Subordinate Obligations have previously been issued and the principal amount of such Subordinate Obligations being issued for completion purposes does not exceed an amount equal to 15% of the principal amount of the Subordinate Obligations originally issued for such Project and reasonably allocable to the Project to be completed as shown in a written certificate of an Authorized Authority Representative and there is delivered to the Subordinate Trustee (1) a Consultant's certificate stating that the nature and purpose of such Project has not materially changed and (2) a certificate of an Authorized Authority Representative to the effect that (y) all of the proceeds (including investment earnings on amounts in the Subordinate Construction Fund allocable to such Project) of the original Subordinate Obligations issued to finance such Project have been or will be used to pay Costs of the Project and (z) the then estimated Costs of the Project exceed the sum of the Costs of the Project already paid plus moneys available in the Subordinate Construction Fund established for the Project (including unspent proceeds of Subordinate Obligations previously issued for such purpose).

[In addition to the Subordinate Series 2017 Bonds, the Authority expects to issue Additional Subordinate Obligations in the future to finance the development of the Airport System. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT."]

Use of PFCs to Pay Debt Service

The Aviation Safety and Capacity Expansion Act of 1990, as amended (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), permits public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1.00, $2.00 or $3.00 PFC with certain qualifying airports permitted to charge a maximum PFC of $4.50. Under the PFC Act, the proceeds from PFCs are required to be used to finance eligible airport-related projects (including paying the debt service on bonds issued to finance such projects) that serve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers. The

Authority currently charges all enplaning passengers at SDIA a PFC of $4.50. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Passenger Facility Charges" for additional information about PFCs collected by the Authority.

The definition of Revenues does not include PFCs, except to the extent included in Revenues pursuant to a Supplemental Senior Indenture or a certificate of any Authorized Authority Representative, which has not occurred to date. However, pursuant to the provisions of the Master Senior Indenture and the Master Subordinate Indenture, if PFCs have been irrevocably committed or are held by the Senior Trustee and/or the Subordinate Trustee, as the case may be, or another fiduciary and are to be set aside exclusively to be used to pay principal of and/or interest on specified Senior Bonds and/or Subordinate Obligations, as applicable, then such principal and/or interest may be excluded from the calculation of aggregate annual debt service on such specified Senior Bonds and/or Subordinate Obligations, as applicable; thus decreasing aggregate annual debt service on the Senior Bonds and/or the Subordinate Obligations, and increasing debt service coverage for purposes of the rate covenants and the additional bonds tests under the Master Senior Indenture and the Master Subordinate Indenture, as applicable.

Pursuant to Resolution No. 2017-[___] adopted by the Board on July 6, 2017 (the "PFC Resolution"), the Authority has irrevocably committed $10 million of the PFCs it has received and expects to receive to the payment and funding of debt service on Senior Bonds and/or Subordinate Obligations issued to finance projects authorized by the FAA to be financed with PFCs (collectively, the "PFC Eligible Bonds") through July 1, 2018.

In addition to the PFCs irrevocably committed pursuant to the PFC Resolution, the Authority expects to use additional PFCs to pay additional debt service on the PFC Eligible Bonds. In addition to the irrevocably committed PFCs, during the forecast period set forth in the Financial Feasibility Report (Fiscal Years 2018 through 2023), the Authority expects to use the following additional amounts of PFC revenues each Fiscal Year to pay debt service on PFC Eligible Bonds; approximately $20 million in Fiscal Year 2018, and approximately $30 million in each Fiscal Year in Fiscal Years 2019 through Fiscal Year 2023. In the Financial Feasibility Report, the Feasibility Consultant has assumed that PFCs will be used to pay a portion of the debt service on the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds. Consequently, debt service on such obligations is excluded from the calculation of the rate covenant for the Senior Bonds and the rate covenant for the Subordinate Obligations as set forth in the Financial Feasibility Report, which results in higher debt service coverage ratios. The Authority does not expect to use any PFCs to pay debt service on the Subordinate Series 2017 Bonds. See "FINANCIAL FEASIBILITY REPORT" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT." See also "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources—Availability of PFCs."

Permitted Investments

Moneys and funds held by the Authority will be invested in Permitted Investments, subject to any restrictions set forth in the Subordinate Indenture and subject to restrictions imposed upon the Authority. Moneys and funds held by the Subordinate Trustee under the Subordinate Indenture, including moneys in the respective debt service funds (and the accounts therein) and in the Subordinate Reserve Fund, may be invested as directed by the Authority in Permitted Investments, subject to the restrictions set forth in the Subordinate Indenture, and subject to restrictions imposed upon the Authority. See "FINANCIAL INFORMATION—Summary of Financial Operations—Investment Practices."

Events of Default and Remedies; No Acceleration

Events of Default under the Subordinate Indenture and related remedies are described in "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SUBORDINATE INDENTURE AND THE FIFTH SUPPLEMENTAL SUBORDINATE INDENTURE—SUMMARY OF THE MASTER SUBORDINATE INDENTURE—Defaults and Remedies." Except as described below, the occurrence of an Event of Default under the Subordinate Indenture (or an event of default under the Senior Indenture) does not grant any right to accelerate payment of the Subordinate Obligations (including the Subordinate Series 2017 Bonds) or the Senior Bonds to either the Subordinate Trustee or the Senior Trustee, or the Holders of the Subordinate Obligations (including the Subordinate Series 2017 Bonds) or the Senior Bonds. However, pursuant to the Third Supplemental Subordinate Indenture and the Subordinate Credit Agreement, the Authority granted to the Subordinate Revolving Obligations Bank the right to accelerate any payments due the Subordinate Revolving Obligations Bank upon an event of default under the Subordinate Credit Agreement; and pursuant to the Fourth Supplemental Subordinate Indenture and the Subordinate Drawdown Bondholder's Agreement, the Authority granted to the Subordinate Drawdown Bond Purchaser the right to accelerate any payments due the Subordinate Drawdown Bond Purchaser upon an event of default under the Subordinate Drawdown Bondholder's Agreement. See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Outstanding Subordinate Obligations—Subordinate Revolving Obligations" and "Subordinate Drawdown Bonds." The Subordinate Trustee is authorized to take certain actions upon the occurrence of an Event of Default under the Subordinate Indenture, including proceedings to enforce the obligations of the Authority under the Subordinate Indenture. If there is an Event of Default under the Subordinate Indenture, payments, if any, on the Subordinate Obligations will be made after Operation and Maintenance Expenses of the Airport System and payments of debt service and reserve requirements on and relating to the Senior Bonds.

OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE

Outstanding Senior Bonds

The following table sets forth the principal amounts and final maturity dates of the Senior Series 2013 Bonds outstanding as of July 2, 2017.

TABLE 1
San Diego County Regional Airport Authority
Senior Series 2013 Bonds
(as of July 2, 2017)

Existing Subordinate Bonds	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
Series 2013A	$107,285,000	$101,600,000	7/1/2043
Series 2013B	272,300,000	271,710,000	7/1/2043
Total	$379,585,000	$373,310,000	

Source: San Diego County Regional Airport Authority

Outstanding Subordinate Obligations

Subordinate Series 2010 Bonds. The following table sets forth the principal amounts and final maturity dates of the Subordinate Series 2010 Bonds as of July 2, 2017.

TABLE 2
San Diego County Regional Airport Authority
Subordinate Series 2010 Bonds
(as of July 2, 2017)

Existing Subordinate Bonds	Original Principal Amount	Principal Amount Outstanding	Final Maturity Date
Series 2010A	$313,150,000	$285,645,000	7/1/2040
Series 2010B	44,055,000	35,985,000	7/1/2040
Series 2010C	215,360,000	215,360,000	7/1/2040
Total	$572,565,000	$536,990,000	

Source: San Diego County Regional Airport Authority

Subordinate Revolving Obligations. Pursuant to the Master Subordinate Indenture, the Third Supplemental Subordinate Indenture and the Subordinate Credit Agreement, the Authority is authorized to issue and have outstanding, from time to time, up to $125,000,000 in aggregate principal amount of Subordinate Revolving Obligations. As of July 2, 2017, the Authority had $58,988,000 aggregate principal amount of Subordinate Revolving Obligations outstanding. On [August] 1, 2017, the Authority expects to repay $32,550,000 of the Subordinate Revolving Obligations with a portion of the proceeds of the Subordinate Series 2017A Bonds and certain other available moneys of the Authority. All Subordinate Revolving Obligations issued by the Authority are purchased by the Subordinate Revolving Obligations Bank (U.S. Bank National Association) in accordance with the terms of the Subordinate Credit Agreement. Except as otherwise provided in the Subordinate Credit Agreement, the principal of all Subordinate Revolving Obligations outstanding pursuant the Master Subordinate Indenture, the Third Supplemental Subordinate Indenture and the Subordinate Credit Agreement are due and payable on June [__]. 2020. However, subject to the terms of the Subordinate Credit Agreement, on June [__], 2020, the Authority can convert any outstanding Subordinate Revolving Obligations to a term loan that will be payable in ten equal quarterly installments beginning 180 days following June [_], 2020, with the final payment being due on June [__], 2023.

Subordinate Drawdown Bonds. Pursuant to the Master Subordinate Indenture, the Fourth Supplemental Subordinate Indenture, the Subordinate Drawdown Bondholder's Agreement, and the Subordinate Drawdown Bond Purchase Agreement, the Authority is authorized to issue and have outstanding, from time to time, up to $100,000,000 in aggregate principal amount of its Subordinate Drawdown Bonds. As of the date of this Official Statement, the Authority had no Subordinate Drawdown Bonds outstanding. When issued, all Subordinate Drawdown Bonds will be purchased by the Subordinate Drawdown Bond Purchaser (RBC Municipal Products, LLC) in accordance with the terms of the Subordinate Drawdown Bondholder's Agreement and the Subordinate Drawdown Bond Purchase Agreement. Except as otherwise provided in the Subordinate Drawdown Bondholder's Agreement, the principal of all Subordinate Drawdown Bonds outstanding pursuant the Master Subordinate Indenture, the Fourth Supplemental Subordinate Indenture and the Subordinate Drawdown Bondholder's Agreement are due and payable on April 17, 2020. However, subject to the terms of the Subordinate Drawdown Bondholder's Agreement, on April 17, 2020, the Authority can convert any outstanding Subordinate

Revolving Obligations to a term loan that will be payable in ten equal quarterly installments beginning 180 days following April 17, 2020, with the final payment being due on April 17, 2023.

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Debt Service Requirements

The following table sets forth the debt service requirements on the Senior Series 2013 Bonds, the Subordinate Series 2010 Bonds and the Subordinate Series 2017 Bonds.

TABLE 3
San Diego County Regional Airport Authority
Debt Service Requirements
Senior And Subordinate Bonds[1]

Year Ended July 1	Total Debt Service Senior Series 2013 Bonds[2]	Total Debt Service Subordinate Series 2010 Bonds[3,4,5]	Subordinate Series 2017A Bonds[6]		Subordinate Series 2017B Bonds[6]		Total Debt Service Subordinate Bonds	Total Debt Service Senior and Subordinate Bonds
			Principal	Interest[7]	Principal	Interest[7]		
2018	$ 20,503,750	$ 40,149,748						
2019	20,494,150	40,145,848						
2020	26,006,350	40,143,798						
2021	26,000,100	40,150,548						
2022	25,994,350	40,151,423						
2023	26,003,100	40,144,111						
2024	25,999,600	40,148,486						
2025	25,998,350	40,149,486						
2026	26,003,100	40,147,486						
2027	26,002,350	40,143,236						
2028	25,996,000	40,151,736						
2029	25,989,850	40,151,736						
2030	26,002,750	40,145,486						
2031	16,667,500	50,928,986						
2032	16,979,000	50,619,205						
2033	17,239,750	50,356,695						
2034	17,606,000	49,994,740						
2035	18,016,250	49,581,574						
2036	18,551,750	49,045,358						
2037	19,104,500	48,493,038						
2038	19,691,500	47,909,880						
2039	20,293,750	47,306,652						
2040	20,923,000	46,678,384						
2041	67,600,250	–						
2042	67,600,250	–						
2043	67,597,500	–						
2044	–	–						
2045	–	–						
2046	–	–						
2047	–	–						
Total	$714,864,800	$1,012,837,640						

4825-6633-1206.3

[1] Numbers may not total due to rounding to nearest dollar.

[2] The Senior Series 2013 Bonds have a lien on Net Revenues. Principal of and interest on the Senior Series 2013 Bonds does not reflect the application of PFCs to the payment of debt service on the Senior Series 2013 Bonds.

[3] The Subordinate Series 2010 Bonds have a lien on Subordinate Net Revenues on parity with the other Subordinate Obligations (including the Subordinate Series 2017 Bonds). Principal of and interest on the Subordinate Series 2010 Bonds does not reflect the application of PFCs to the payment of debt service on the Subordinate Series 2010 Bonds.

[4] Does not reflect the application of the Federal Direct Payments (the cash subsidy payments the Authority expects to receive from the United States Treasury equal to a portion of the interest payable on the Subordinate Series 2010C Bonds) to the payment of debt service on the Subordinate Series 2010 Bonds.

[5] Debt Service on the Subordinate Revolving Obligations (which may be outstanding from time to time in an aggregate principal amount of up to $125 million at any one time) and the Subordinate Drawdown Bonds (which may be outstanding from time to time in an aggregate principal amount of up to $100 million at any one time) are not reflected in this table. As of the date of this Official Statements, $58,988,000 aggregate principal amount of Subordinate Revolving Obligations will be outstanding at the time of issuance of the Subordinate Series 2017 Bonds, and a portion of the proceeds of the Subordinate Series 2017 Bonds will be used to repay $32,550,000 aggregate principal amount of the Subordinate Revolving Obligations. As of the date of this Official Statement, there are no Subordinate Drawdown Bonds outstanding.

[6] The Subordinate Series 2017 Bonds have a lien on Subordinate Net Revenues on parity with the other Subordinate Obligations.

[7] Includes interest on the Subordinate Series 2017 Bonds through [January/July] 1, 20[__], to be paid from a portion of the proceeds of the Subordinate Series 2017 Bonds.

Source: San Diego County Regional Airport Authority [and Morgan Stanley & Co. LLC (only with respect to debt service on the Subordinate Series 2017 Bonds)].

Future Financings

After the issuance of the Subordinate Series 2017 Bonds, the Authority expects to issue approximately $[410] million of Additional Senior Bonds in late-2018 to pay a portion of the costs of the Capital Program. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT." The forecasts in the Financial Feasibility Report assume the issuance of Additional Senior Bonds in Fiscal Year 2019. See "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

During the Feasibility Consultant's projection period (through Fiscal Year 2023), the Authority may pursue additional capital projects beyond those described in the preceding paragraph and Additional Senior Bonds and/or Additional Subordinate Obligations may be issued to fund such additional projects. These projects and the funding therefor are not included in the projections included in the Financial Feasibility Report. See "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources." See also the Financial Feasibility Report for a discussion of certain projects the Authority is considering undertaking, including the Airport Development Plan. Additionally, the Authority continuously evaluates refunding opportunities and, when economically beneficial, may refund one or more Series of Senior Bonds and/or Subordinate Obligations.

Other Obligations

Lease Commitments.

Operating Leases. In connection with the Transfer, the Authority entered into several leases with the Port District. The Authority is leasing from the Port District the land used for SDIA for $1 per year, for 66 years, through December 31, 2068. In addition, the Authority leases from the Port District 90.67 acres of the former General Dynamics property on Pacific Highway adjacent to SDIA for 66 years commencing January 1, 2003 (the "General Dynamics Lease"). The General Dynamics Lease calls for rent payments of $6,826,656 annually through December 31, 2068. A portion of the land is leased back to the Port District for employee parking for Port District administration building employees and is leased back by the Port District at the same fair market unit value per square-foot as paid by the Authority. The Authority and the Port District also have entered into a lease for 47.54 acres on North Harbor Drive (the "TDY Property"), commencing January 1, 2005 and expiring December 31, 2068 (the "TDY Lease"). The Authority pays the Port District $3 million annually to lease the TDY Property.

The Authority also entered into a lease with the Port District, commencing September 1, 2006, for a property located at 2415 Winship Lane, known as the "Sky Chef" property. The term of the lease is 60 years with $350,000 in annual rental.

Under current law, in the event SDIA is relocated and the current location is no longer used by SDIA for airport purposes, all of the Authority's leases with the Port District would terminate and the right to use the property subject to those leases would revert to the Port District. See "CERTAIN INVESTMENT CONSIDERATIONS—State Tidelands Trusts."

Lease payments pursuant to the above-described operating lease agreements constitute Operation and Maintenance Expenses of the Airport System, and thus payment thereof is senior in priority to payment of the Senior Bonds and the Subordinate Obligations (including the Subordinate Series 2017 Bonds). All such leases are treated as operating leases by the Authority.

As of July 1, 2017, the Authority estimated that its future rental commitments under the above described operating lease agreements will be in the amounts described in the following table.

TABLE 4
San Diego County Regional Airport Authority
Future Rental Commitments

Fiscal Year	Rental Payments
2018	$10,172,520
2019	10,172,520
2020	10,172,520
2021	10,172,520
2022	10,172,520
2023-2026	50,862,600 [1]
2028-2031	50,862,600 [1]
2033-2036	50,862,600 [1]
2038-2041	50,862,600 [1]
2043-2046	50,862,600 [1]
2048-2051	50,862,600 [1]
2053-2056	50,862,600 [1]
2058-2061	50,862,600 [1]
2063-2066	50,862,600 [1]
2068-2069	15,258,780 [2]
Total	$523,884,780

[1] Total rental payments due during five Fiscal Year period. Rental payments are $10,172,520 in each Fiscal Year.
[2] Includes $10,172,520 of rental payments for Fiscal Year 2068 and $5,086,260 of rental payments for Fiscal Year 2069. The current expiration dates of the leases is December 31, 2068.
Source: San Diego County Regional Airport Authority

Capital Leases. The Authority also has entered into several equipment leases due to expire in 2020. These equipment leases require monthly payments of $6,849 and are treated as capital leases by the Authority.

RDC Installment Purchase Agreement. The Authority and AFCO CRDC SAN LLC ("AFCO") entered into an Installment Purchase Agreement, dated March 15, 2011 (the "RDC Installment Purchase Agreement"), pursuant to which AFCO agreed to design, build and finance a receiving and distribution center ("RDC") at SDIA, and the Authority agreed to lease the RDC from AFCO for a term of 20 years commencing in November 2012 (the date of completion of the RDC). The RDC is a 21,000 square-foot building that provides a single receiving point for most goods delivered to SDIA. Distribution of these goods to various locations at SDIA is conducted by a single delivery service provided by Bradford Logistics. Pursuant to the RDC Installment Purchase Agreement, the Authority pays AFCO a monthly installment payment of $73,108. The installment payments are payable from any legally available moneys of the Authority after the payment of the Operation and Maintenance Expenses of the Airport System, the debt service and reserve fund requirements on the Senior Bonds and the Subordinate Obligations (including the Subordinate Series 2017 Bonds), and the required deposits to the Operation and Maintenance Reserve Subaccount and the Renewal and Replacement Subaccount.

Special Facility Obligations. Pursuant to the Master Senior Indenture, the Authority may designate an existing facility or a planned facility as a "Special Facility" and may incur indebtedness in order to acquire, construct, renovate or improve such facility or to finance the acquisition, construction, renovation or improvement thereof by a third party. Additionally, the Authority may provide that all contractual payments derived by the Authority from such Special Facility, together with other income and revenues available therefrom (but only to the extent such payments, income and revenue are necessary to make the payments of principal of and interest on such Special Facility Obligations as and when the same become due and payable, all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and all sinking fund, reserve or other payments required by the resolution authorizing the Special Facility Obligations as the same become due), will constitute "Special Facilities Revenue" and will not be included in Revenues, Net Revenues or Subordinate Net Revenues. Such indebtedness will constitute a "Special Facility Obligation" and will be payable solely from the Special Facilities Revenue. When Special Facility Obligations issued for a Special Facility are fully paid or otherwise discharged, all revenues received by the Authority from such facility will be included as Revenues. To the extent Special Facility Revenues exceed the amounts required to pay the principal of and interest on Special Facility Obligations when due, to the extent not otherwise encumbered, the excess may constitute Revenues as determined by the Authority.

In February 2014, the Authority issued $305,285,000 aggregate principal amount of its Senior Special Facilities Revenue Bonds (Consolidated Rental Car Facility Project) Series 2014A and Series 2014B (the "Series 2014 Special Facilities Bonds") to finance a portion of the costs of the development and construction of a consolidated rental car facility (the "Rental Car Center") and related improvements at SDIA. The Series 2014 Special Facilities Bonds are special limited obligations of the Authority, payable solely from and secured by a pledge of (a) the CFCs collected by the rental car companies operating at SDIA, (b) under certain circumstances, "Bond Funding Supplemental Consideration" payable by the rental car companies operating at SDIA, and (c) certain funds and accounts. *The Series 2014 Special Facility Bonds are not, in any way, secured by, or payable from, Revenues*. See "SAN DIEGO INTERNATIONAL AIRPORT—Existing Facilities" and "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES—Rental Car Agreements."

Senior and Subordinate Repayment Obligations. Under certain circumstances, the obligation of the Authority, pursuant to a written agreement, to reimburse the provider of a Credit Facility or a Liquidity Facility (a "Repayment Obligation") may be secured by a pledge of and lien on Net Revenues on parity with the Senior Bonds or secured by a pledge of and lien on the Subordinate Net Revenues on parity with the Subordinate Obligations (including the Subordinate Series 2017 Bonds). If a Credit Provider or Liquidity Provider advances funds to pay principal of or purchase Senior Bonds, all or a portion of the Authority's Senior Repayment Obligation may be afforded the status of a Senior Bond under the Senior Indenture. If a Credit Provider or Liquidity Provider advances funds to pay principal of or purchase Subordinate Obligations, all or a portion of the Authority's Subordinate Repayment Obligation may be afforded the status of a Subordinate Obligation under the Subordinate Indenture. As of the date of this Official Statement, the Authority has no outstanding Senior Repayment Obligations or Subordinate Repayment Obligations. See "APPENDIX C—CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SUBORDINATE INDENTURE AND THE FIFTH SUPPLEMENTAL SUBORDINATE INDENTURE—SUMMARY OF THE MASTER SUBORDINATE INDENTURE—Subordinate Repayment Obligations Afforded the Status of Subordinate Obligations."

THE AUTHORITY

General

The Port District operated SDIA from 1963 until December 31, 2002. Pursuant to the Act, the California Legislature created the Authority and transferred, by long-term lease, the operations of SDIA to the Authority effective January 1, 2003.

The Authority is vested with four principal responsibilities: (a) operating the Airport System (the main asset of which is SDIA); (b) planning and operating any future airport that could be developed as a supplement or replacement to SDIA; (c) developing a comprehensive land use compatibility plan as it may relate to the Airport System for the entire County; and (d) serving as the region's airport land use commission.

Board of Directors

The Authority is governed by a nine-member board of directors (the "Board"), with two or more additional members serving as non-voting, *ex-officio* board members. Board members serve three-year terms. Three members of the Board serve as the Executive Committee. Pursuant to the Act, the members of the Board are appointed as follows: the Mayor of the City San Diego appoints three members (two of which are subject to confirmation by the San Diego City Council); the Chair of the Board of Supervisors of the County appoints two members (subject to confirmation by the Board of Supervisors of the County); the mayors of the east county cities (El Cajon, La Mesa, Lemon Grove and Santee) appoint one member; the mayors of the north county coastal cities (Carlsbad, Del Mar, Encinitas, Oceanside and Solana Beach) appoint one member; the mayors of the north county inland cities (Escondido, Poway, San Marcos and Vista) appoint one member; and the mayors of the south county cities (Chula Vista, Coronado, Imperial Beach and National City) appoint one member. The Board also consists of two non-voting, *ex-officio* members, the District Director of the State Department of Transportation for the San Diego region and the Department of Finance representative for the State Lands Commission, both of whom are appointed by the Governor. The Board also may provide for additional non-voting, *ex-officio* members, including, but not limited to, representatives of the United States Navy and the United States Marine Corps.

The current members of the Board are set forth below.

Board Members	Occupation	Appointing Authority	Current Term Expires
Executive Committee			
C. April Boling (Chair)	Certified Public Accountant	Mayor, City of San Diego	January 31, 2018
Paul Robinson (Vice Chair)	Partner, Hecht Solberg Robinson Goldberg and Bagley LLP	Chair, San Diego County Board of Supervisors	January 31, 2020
Jim Janney	Business Owner	Mayors, South County Cities	January 31, 2018
General Members			
Greg Cox	San Diego County Supervisor	Chair, San Diego County Board of Supervisors	January 31, 2019
Jim Desmond	Mayor, City of San Marcos; Captain, Delta Air Lines	Mayors, North County Inland Cities	January 31, 2018
Robert H. Gleason	President and Chief Executive Officer, Evans Hotels	Mayor, City of San Diego	January 31, 2020
Mark Kersey	Councilmember, City of San Diego	Mayor, City of San Diego	January 31, 2019
Mary Sessom	College Instructor	Mayors, East County Cities	January 31, 2019
Michael Schumacher	Councilmember, City of Carlsbad	Mayors, North County Coastal Cities	January 31, 2020
Ex-Officio Members			
Laurie Berman	District Director for the California Department of Transportation, San Diego Region	Governor, State of California	N/A
Eraina Ortega	Chief Deputy Director, Policy at the Department of Finance, State of California	Governor, State of California	N/A
Colonel Jason G. Woodworth	Commander, Marine Corps Air Station Miramar	United States Navy/United States Marine Corps	N/A

The fundamental powers and functions of the Authority are established by the Act. The Act empowers the Board to adopt more specific rules to guide the conduct of the Board, officers and employees of the Authority, and those persons and entities that interact with the Authority or utilize the premises and property of the Authority. The Board has exercised that power by adopting codes that govern and regulate the conduct of persons, organizations and other third parties that use the facilities under the Authority's jurisdiction; and policies that address the Authority's internal operations and governance.

Pursuant to its policies, the Board has established the following standing committees with the following functions:

Audit Committee. The Audit Committee serves as a guardian of the public trust, acting independently and charged with oversight responsibilities for reviewing the Authority's internal controls, financial reporting obligations, operating efficiencies, ethical behavior and regular attention to cash flows, capital expenditures, regulatory compliance and operations. In addition to the Board members that serve on the Audit Committee, three members of the public, appointed by the Board, serve on the Audit

Committee. The Audit Committee's responsibilities are as follows: (a) review regularly the Authority's accounting, audit and performance monitoring processes; (b) at the time of renewal, recommend to the Executive Committee and the full Board its nomination for an external auditor and the compensation of the auditor, and consider at least every three years, whether there should be a rotation of the audit firm or the lead audit partner to ensure continuing auditor independence; (c) advise the Executive Committee and the Board regarding the selection of the auditor; (d) be responsible for oversight and monitoring of internal and external audit functions, and monitoring performance of, and internal compliance with, Authority policies and procedures; (e) be responsible for overseeing the annual audit by the external auditors and internal audits; and (f) make recommendations to the full Board with regard to all of the foregoing.

Executive Committee. The Executive Committee is responsible for overseeing the implementation of the administrative policy of the Authority. The Executive Committee members may not be included in the direct operation of the facilities and the airports under the jurisdiction of the Authority, nor may they be included in the chain of command for purposes of emergency procedures. The Executive Committee is required to conduct monthly meetings with the President/CEO and his or her staff to review the operations of the Authority. Any policy recommendation from the Executive Committee must be forwarded to the Board for consideration at a public meeting of the Board.

Executive Personnel and Compensation Committee. The Executive Personnel and Compensation Committee evaluates the President/CEO, Auditor and General Counsel and makes recommendations to the Board concerning their compensation. The Executive Personnel and Compensation Committee also reviews and makes recommendations regarding Board Member compensation.

Finance Committee. The Finance Committee is established to oversee the financial performance and condition of the Authority and review the operating and capital budget and financial plan, and major financial policies or actions of the Authority. The Finance Committee is required to meet at least quarterly each year.

Capital Improvement Program Oversight Committee. The Capital Improvement Program Oversight Committee oversees the implementation of the Capital Improvement Program, which includes the investigation and evaluation of the physical/functional, financial, environmental, community aspects, intergovernmental coordination, and public communication/outreach related to all Capital Improvement Program activities.

Each committee is required to include one Executive Committee member. All committee appointments are for a one-year term. The Board may establish or maintain additional Board committees from time to time as necessary or appropriate in accordance with the Authority's policies.

Executive Management

Kimberly J. Becker, President and CEO. Kimberly J. Becker was appointed President and CEO of the Authority on May 1, 2017. She brings with her nearly 30 years of experience in the aviation industry. As President/CEO, Ms. Becker is responsible for management oversight of the Authority and SDIA. Prior to joining the Authority, Ms. Becker served as Director of Aviation for the Norman Y. Mineta San José International Airport ("San José Airport"), a position she assumed in September 2013. Prior to being appointed the Director of Aviation for San José Airport, she was appointed the Chief Operating Officer for the San José Airport in 2011, and the Assistant Director of Aviation at San José Airport in 2008. Ms. Becker's career in aviation and airport management has included operations and environmental positions at Lockheed Air Terminal in Burbank, California, and Teterboro Airport in New

Jersey. She previously served as President of the California Airports Council representing 33 commercial service airports across the State and was on the Board of Directors for the Southwest Chapter of the American Association of Airport Executives. Ms. Becker also previously served on the Board of Directors for the San Jose Silicon Valley Chamber of Commerce, Joint Venture Silicon Valley and was on the Advisory Board for San Jose State University's Aviation Program. Ms. Becker holds a bachelor's degree in business administration from Indiana University of Pennsylvania, and a master's degree in business administration/aeronautics from Embry-Riddle Aeronautical University based in Daytona Beach Florida.

Scott M. Brickner, Vice President, Finance & Asset Management/Treasurer. Scott Brickner is Vice President, Finance and Asset Management and Treasurer of the Authority. He has oversight of the Authority's Procurement, Small Business Development, Accounting, Financial Management, Business Management, Information & Technology Services, and Business Development functions. Mr. Brickner held various senior management positions in the private sector prior to joining the Authority in April 2009. Mr. Brickner received a Bachelor of Business Administration from Benedictine College in Kansas, an MBA from St. Louis University, and has an active CPA license in the state of California. In 2016 he received the CFO of the Year Award from the San Diego Business Journal.

Angela Shafer-Payne, Vice President, Operations Division. Angela Shafer-Payne is the Vice President, Operations Division for the Authority. Ms. Shafer-Payne oversees airside and landside operations, public safety and security, ground transportation and facilities maintenance. She has been with SDIA since 1995, during which time she has held various leadership positions. One of Ms. Shafer-Payne's most notable achievements was her instrumental role in establishing and setting up the Authority, effectually separating SDIA from its previous owner, the Port District. She has a bachelor's degree in Business Administration with a concentration in Aeronautical Studies and Meteorology from the University of North Dakota. She also holds an Instrument Rated pilot license.

Jeffrey Woodson, Vice President, Development Division. Jeffrey A. Woodson is the Vice President, Development Division for the Authority. Mr. Woodson joined SDIA in 2002. As Vice President, Development Division, he is responsible for Facilities Development, Airport Design & Construction, Airport Planning & Noise and Environmental Affairs. Mr. Woodson is currently overseeing the Capital Program. In addition to major construction projects, he oversees both the Quieter Home Program and Noise Monitoring Program. Prior to joining SDIA, Mr. Woodson served as the Director of Management & Budget for the City of Dayton, Ohio and the City of Richmond, Virginia. He also served as Assistant City Manager in Portsmouth, Virginia. Mr. Woodson has over 35 years of experience working for government entities, including the Commonwealth of Virginia. He was responsible for operating appropriations totaling $600 million in Dayton and $750 million in Richmond. Mr. Woodson holds a Masters of Public Administration from Virginia Commonwealth University and a Bachelor of Arts from Virginia State University. He is a graduate of the Management Excellence Program sponsored by the Cooper Center for Public Service at the University of Virginia and the Executive Leadership Institute program sponsored by the National Forum for Black Public Administrators. Mr. Woodson is a member of the Government Finance Officers Association, the National Forum for Black Public Administrators and the American Association of Airport Executives. He has served on various boards, including the Board of Directors for the San Diego Council on Literacy from 2005-2012, and the Board of the San Diego Workforce Partnership. Mr. Woodson also served as the local Chapter President of the San Diego Tuskegee Airmen International from 2013-2015.

Mark Burchyett, Chief Auditor. Mark Burchyett is the Chief Auditor of the Authority. Mr. Burchyett joined the Authority in 2005. Prior to joining the Authority, he served as the Director of Internal Audit for St. Louis County, reporting to the St. Louis County Council. Mr. Burchyett's three years with St. Louis County were preceded by serving as the Director of Internal Audit for the St. Charles

County Government. He worked as the Enterprise Risk Services Manager for Deloitte & Touche, LLP, prior to his government service. Mr. Burchyett has served as a Senior Financial/Operational Auditor, Regulatory Auditor, and an Accounting Instructor with Eastern Illinois University. Mr. Burchyett is currently a part-time Accounting Instructor at Palomar College in San Marcos. He holds a Bachelor's degree and a Master's in Business Administration from Eastern Illinois University. Mr. Burchyett is a certified public accountant, a certified internal auditor, a certified fraud examiner, and a certified information systems auditor. He also has accreditation in internal quality assessment/validation for internal audit departments.

Amy Gonzalez, General Counsel. Amy Gonzalez serves as the General Counsel for the Authority. She has served as an attorney representing the Authority since 2003. Prior to joining the Authority, Ms. Gonzalez served as a Deputy City Attorney for the Department of Airports of the City of Los Angeles, California, operator of Los Angeles International Airport, Van Nuys and Palmdale Regional Airports. She has over 20 years of experience representing public entities, and, for the past 17 years, her practice has specialized in airport matters dealing with aircraft noise, rates and charges, transportation, the environment, eminent domain, contracts, concessions, revenue diversion and real property. Ms. Gonzalez graduated from St. Louis University and received a Juris Doctor from Pepperdine University School of Law. She is an adjunct professor of law at California Western School of Law.

Employees and Labor Relations

The Authority employs approximately 410 full-time employees. Approximately 130 of these employees (primarily maintenance workers, airport traffic officers and certain supervisors) are members of the Teamsters Local 911 labor union. Labor relations with respect to those 130 employees are governed by a labor agreement between the Authority and Teamsters Local 911, which will expire on September 30, 2017. The Authority and Teamsters Local 911 are currently negotiating a new labor agreement, which is expected to be brought to the Board for approval in late summer 2017.

Approximately 10 of the Authority's employees are members of a classified service group. Labor relations with respect to these employees is governed by state law applicable to classified service employees. The remaining employees of the Authority are not subject to any collective bargaining agreement.

The Authority has never experienced any disruption in its operations due to labor related matters.

SAN DIEGO INTERNATIONAL AIRPORT

Introduction

SDIA is located approximately three miles northwest of downtown San Diego on approximately 661 acres of land. SDIA is bounded by San Diego Bay, military facilities and residential areas. Dedicated on August 16, 1928, SDIA was originally named "San Diego Municipal Airport—Lindbergh Field." SDIA gained international airport status in 1934 when it became the first federally certified airfield to serve all aircraft types, including seaplanes. World War II brought significant change to the airfield when the U.S. Army Air Corps took it over in 1942 to support the war effort. The infrastructure of SDIA was improved to handle the heavy bombers being manufactured in the region during the war. This transformation, including an 8,750-foot runway (now 9,401 feet), made SDIA jet-ready long before jet passenger planes came into widespread service.

SDIA is located on land leased from the Port District. The leases for most of the land leased from the Port District expire in 2068. The land upon which SDIA is located is held in trust by the Port District pursuant to certain tideland land grants from the State to the Port District. Under current law, in the event SDIA is relocated and the current location is no longer used by the Authority for airport purposes, all of the Authority's leases with the Port District would terminate and the right to use the property subject to those leases would revert to the Port District.

According to ACI statistics, SDIA is the busiest single-runway commercial airport in the United States. SDIA is classified by the FAA as a "large air traffic hub" (an airport that enplanes over 1.0% of the total domestic passengers in the United States). As of June 30, 2017, SDIA handled air transportation for 23 major and commuter passenger airlines. In Fiscal Year 2016, SDIA enplaned approximately 10.2 million passengers (which represented an approximately 5.1% increase in enplaned passengers from the fiscal year ended June 30, 2015). For the calendar year ended December 31, 2016, approximately 96% of the passengers using SDIA were O&D passengers. According to ACI statistics, for the calendar year ended December 31, [2015] (the latest available information from ACI), SDIA was ranked as the [27th] busiest airport in the country as measured by total number of enplaned and deplaned passengers.

Pursuant to the Act, the Authority was required to study alternative sites for relocating SDIA and proposing a county-wide ballot measure regarding the relocation of SDIA. After a thorough study, the Authority concluded that the best alternative for relocating SDIA was to obtain approximately 3,000 acres at Marine Corps Air Station-Miramar and to construct a new airport on this site. In November 2006, the voters of the County voted against the Authority's proposal to move SDIA to Marine Corps Air Station-Miramar. At this time, the Board does not plan to pursue relocation of SDIA from its current location.

Existing Facilities

The existing airfield consists of one east-west runway (Runway 9/27), which is 9,401 feet long and 200 feet wide. Runway 9/27 has sufficient capacity and is of sufficient strength to permit the operation of most existing commercial aircraft, including most large widebody aircraft. However, natural and man-made obstructions, including rising terrain, trees and buildings to the west and east of SDIA limit the effective length of the runway for certain aircraft. This limitation reduces range and/or payload capability depending on the aircraft type and the operating rules of a given carrier. Each aircraft is different with respect to, among other things, its empty weight, engine type, thrust variant, desired payload capability, and desired range. For example, the Boeing 787 is not affected by these runway limitations due to improved airfield performance capabilities. Runway 9/27 is equipped with high-intensity runway lighting and supports both precision and non-precision approaches. SDIA has a system of taxiways leading to and from the terminal area on the south side of SDIA, and to and from the north side of SDIA which is used by cargo and general aviation aircraft. See "CERTAIN INVESTMENT CONSIDERATIONS—Restrictions on Airport Facilities and Operations."

Passenger services at SDIA are located in two terminals, Terminal 1 and Terminal 2 (consisting of Terminal 2 East and Terminal 2 West). Terminals 1 and 2 provide a total of 51 aircraft gates. Terminal 1, the oldest terminal at the Airport, was opened in 1967 and renovated in 1994 and 1997. Terminal 1 is approximately 257,500 square-feet, with 19 aircraft gates. Terminal 2 East was opened in 1979 and is a two-story, approximately 225,700 square-foot facility with 13 aircraft gates. Terminal 2 West was opened in 1998 and expanded in 2013 and is a two-story, approximately 786,600 square-foot facility with 19 aircraft gates.

Approximately 5,221 public parking spaces, operated by the Authority, are available at the Airport, including (a) approximately 2,151 short-term parking spaces located directly in front of Terminal 1 and Terminal 2, (b) approximately 2,615 long-term parking spaces located in two remote lots, (c) approximately 97 spaces in a free cell phone lot located east of the Authority's administration offices, and (d) approximately 456 valet parking spaces, with curb-side drop-off in front of Terminals 1 and 2. A portion of the Terminal 2 parking lot is currently closed while the new Terminal 2 West Parking Plaza is constructed (see "PLAN OF FINANCE AND APPLICATION OF SUBORDINATE SERIES 2017 BOND PROCEEDS" and "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Capital Program"). The Terminal 2 West Parking Plaza will contain approximately 2,900 parking spaces, which will provide a net 1,700 more parking spaces than are currently available at SDIA. The Terminal 2 West Parking Plaza is scheduled to open in the Summer of 2018.

The on-Airport rental car companies operate from the newly constructed "Rental Car Center" that consists of a customer service building, ready/return, "quick turnaround" and staging/storage areas with approximately 5,400 parking spaces, and fueling, car wash and light maintenance facilities, and is located on approximately 24.8 acres on the north-side of the Airport. The Rental Car Center opened in January 2016. A shuttle bus system transports passengers from the terminals to the Rental Car Center. See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—Special Facility Obligations" and "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES—Rental Car Agreements."

Air cargo facilities at the Airport currently provide approximately 69,000 square feet of building space in three buildings on approximately 291,596 square-feet of land. The Authority is currently in the process of selecting a developer to design, build, finance, operate and maintain new air cargo facilities and an aircraft ramp on the northside of the Airport (the "North Cargo Facility"). See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Third-Party Financed Projects" for additional information on the North Cargo Facility.

Various other facilities located at the Airport include, among others, a control tower, central utilities plant and fuel facilities are located at the Airport or on land located near the Airport. The previous Commuter Terminal, a three-story building with approximately 133,000 square-feet, serves as the offices of the Authority.

Air Carriers Serving SDIA

As of June 30, 2017, 22 passenger airlines provided daily service from SDIA to a total of 53 U.S. cities and 9 foreign cities, and 5 air carriers provided scheduled all-cargo service at SDIA. The following table sets forth the air carriers serving SDIA as of June 30, 2017. See "AIRLINE INDUSTRY INFORMATION."

TABLE 5
San Diego International Airport
Air Carriers Serving San Diego International Airport
(As of June 30, 2017)

Scheduled U.S. Carriers	Foreign Flag Carriers	All-Cargo Carriers
Alaska Airlines[1,2]	Air Canada Rouge[6]	Atlas Air, Inc.
Allegiant	British Airways	Ameriflight
American Airlines	Condor	FedEx
Compass Air[3]	Edelweiss	United Parcel Service
Delta Air Lines	Japan Airlines	West Air, Inc.
Frontier Airlines	Jazz Aviation[6]	
Hawaiian Airlines	WestJet Airlines	
Horizon Air[1,4]		
JetBlue Airways		
SkyWest Airlines[5]		
Southwest Airlines		
Spirit		
Sun Country Airlines		
United Airlines		
Virgin America[2]		

[1] Alaska Airlines and Horizon Air Industries are separately certificated airlines owned by Alaska Air Group, Inc. ("Alaska Air Group").
[2] In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin currently are operating under separate FAA certificates, but are expected to begin operating under one certificate in the first quarter of 2018.
[3] An affiliate of and doing business as American Airlines and Delta Air Lines.
[4] An affiliate of and doing business as Alaska Airlines.
[5] An affiliate of and doing business as United Express, Delta Connection and Alaska Airlines.
[6] Air Canada has entered into an Airline Lease Agreement, but service at the Airport is provided by Air Canada Rouge and Jazz Aviation.
Source: San Diego County Regional Airport Authority

Aviation Activity

In Fiscal Year 2016, SDIA enplaned approximately 10.2 million passengers (which represented an approximately 5.1% increase in enplaned passengers from the fiscal year ended June 30, 2015). For the calendar year ended December 31, 2016, approximately 96% of the passengers using SDIA were O&D passengers. According to ACI statistics, for the calendar year ended December 31, [2015] (the latest available information from ACI), SDIA was ranked as the [27th] busiest airport in the country as measured by total number of enplaned and deplaned passengers. As of April 1, 2017, passenger airlines and cargo carriers were operating approximately 255 departures daily at SDIA.

The following table sets forth the total domestic and international enplanements and total deplanements at SDIA for the last ten Fiscal Years and the first nine months of Fiscal Years 2016 and 2017.

TABLE 6
San Diego International Airport
Total Enplanements and Deplanements

	Enplanements						Deplanements			
Fiscal Year	**Domestic Enplanements**	**Percent of Total**	**International Enplanements**	**Percent of Total**	**Total Enplanements**	**Percent Change**	**Total Deplanements**	**Percent Change**	**Total Enplanements and Deplanements**	**Percent Change**
2007	8,797,153	98.9%	94,916	1.1%	8,892,069	1.6%	8,861,770	1.5%	17,753,839	1.5%
2008	9,302,073	99.1	87,254	0.9	9,389,327	5.6	9,382,223	5.9	18,771,550	5.7
2009	8,450,723	99.0	85,051	1.0	8,535,774	(9.1)	8,538,044	(9.9)	17,073,818	(9.0)
2010	8,339,147	98.6	114,739	1.4	8,453,886	(1.0)	8,463,709	(0.9)	16,917,595	(0.9)
2011	8,316,322	98.5	124,798	1.5	8,441,120	(0.2)	8,427,612	(0.4)	16,868,732	(0.3)
2012	8,323,734	97.1	251,741	2.9	8,575,475	1.6	8,562,938	1.6	17,138,413	1.6
2013	8,460,959	96.8	276,658	3.2	8,737,617	1.9	8,703,351	1.6	17,440,968	1.7
2014	8,745,640	96.3	336,604	3.7	9,082,244	3.9	9,062,886	4.1	18,145,130	4.0
2015	9,381,259	96.6	331,807	3.4	9,713,066	6.9	9,696,617	7.0	19,409,683	7.0
2016	9,848,924	96.5	357,298	3.5	10,206,222	5.1	10,190,948	5.1	20,397,170	5.1
***First Nine Months*[1]**										
2016	7,309,224	96.6	259,113	3.4	7,568,337	–	7,577,065	–	15,145,402	–
2017	7,447,132	96.4	280,093	3.6	7,727,225	2.1	7,711,656	1.8	15,438,881	1.9

[1] July 1 through March 31. Results for the first nine months of Fiscal Year 2017 may not be indicative of results for the full Fiscal Year 2017.
Source: San Diego County Regional Airport Authority

The following table sets forth total revenue operations (landings and takeoffs) at SDIA for Fiscal Years 2007 through 2016 and the first nine months of Fiscal Years 2016 and 2017.

TABLE 7
San Diego International Airport
Revenue Operations

Fiscal Year	**Total Operations[1]**	**Operations Growth**
2007	225,444	(0.6)%
2008	240,289	6.6
2009	208,783	(13.1)
2010	194,509	(6.8)
2011	186,181	(4.3)
2012	186,196	0.0
2013	187,322	0.6
2014	187,757	0.2
2015	195,268	4.0
2016	194,151	(0.6)
***First Nine Months*[2]**		
2016	130,833	–
2017	133,009	1.6

[1] For revenue-related departures and arrivals.
[2] July 1 through March 31. Results for the first nine months of Fiscal Year 2017 may not be indicative of results for the full Fiscal Year 2017.
Source: San Diego County Regional Airport Authority

Air Cargo

The following table sets forth information concerning cargo traffic (enplaned and deplaned cargo) over the last ten Fiscal Years and the first nine months of Fiscal Years 2016 and 2017.

TABLE 8
San Diego International Airport
Historical Enplaned and Deplaned Freight and U.S. Mail Cargo
(in tons)

Fiscal Year	Freight	Annual Percentage Change	U.S. Mail	Annual Percentage Change	Total	Annual Percentage Change
2007	157,478	(0.5)%	33,566	7.3%	191,044	0.8%
2008	128,456	(18.4)	16,067	(52.1)	144,523	(24.4)
2009	104,750	(18.5)	16,032	(0.2)	120,782	(16.4)
2010	108,823	3.9	16,690	4.1	125,513	3.9
2011	122,204	12.3	16,802	0.7	139,005	10.7
2012	136,036	11.3	17,335	3.2	153,370	10.3
2013	138,760	2.0	18,265	5.4	157,025	2.4
2014	145,831	5.1	19,135	4.8	164,966	5.1
2015	157,229	7.8	21,386	11.8	178,614	8.3
2016	165,046	5.0	20,609	(3.6)	185,656	3.9
First Nine Months[1]						
2016	105,532	–	15,919	–	121,452	–
2017	108,556	2.9	16,277	2.3	124,833	2.8

[1] July 1 through March 31. Results for the first nine months of Fiscal Year 2017 may not be indicative of results for the full Fiscal Year 2017.
Source: San Diego County Regional Airport Authority.

Enplanements by Air Carriers

The following table presents total enplanements for each air carrier serving SDIA for the last five Fiscal Years. For Fiscal Year 2016, Southwest accounted for approximately 37.6% of the enplanements at SDIA, 35.3% of the landed weight at SDIA and 14.5% of the operating revenues of the Authority. Over the past five Fiscal Years, Southwest has enplaned about one-third of the passengers at SDIA. Since approximately 96% of the passengers using SDIA are O&D passengers (based on calendar year 2016 enplanements), and the Authority relies very little on connecting enplanements, the Authority believes that any reduction in service by Southwest would probably be absorbed by one or more other airlines operating at SDIA.

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TABLE 9
San Diego International Airport
Enplanements By Air Carriers
(Ranked on 2016 Results)[1]

Air Carrier	Fiscal Year 2012	2012 Percent Share	Fiscal Year 2013	2013 Percent Share	Fiscal Year 2014	2014 Percent Share	Fiscal Year 2015	2015 Percent Share	Fiscal Year 2016	2016 Percent Share
Southwest	3,252,290	37.9%	3,253,225	37.2%	3,352,870	36.9%	3,736,688	41.1%	3,840,455	37.6%
American[2]	1,200,372	14.0	1,211,564	13.9	1,248,239	13.7	1,270,527	14.0	1,369,003	13.4
United[3]	1,266,007	14.8	1,175,869	13.5	1,167,661	12.9	1,113,510	12.3	1,165,565	11.4
Delta	935,777	10.9	904,734	10.4	915,907	10.1	992,498	10.9	1,061,889	10.4
Alaska[4]	579,457	6.8	673,731	7.7	830,349	9.1	871,775	9.6	902,705	8.8
Spirt	77,873	0.9	164,189	1.9	201,414	2.2	252,219	2.8	327,183	3.2
Virgin America[4]	166,326	1.9	168,297	1.9	156,729	1.7	175,973	1.9	211,075	2.1
JetBlue	147,051	1.7	152,571	1.7	173,282	1.9	178,590	2.0	182,605	1.8
Frontier	198,708	2.3	184,020	2.1	185,270	2.0	150,595	1.7	118,990	1.2
Hawaiian	86,211	1.0	94,283	1.1	98,667	1.1	96,963	1.1	102,462	1.0
British Airways	81,437	0.9	81,534	0.9	84,600	0.9	84,263	0.9	89,723	0.9
Japan Airlines	-	0.0	18,249	0.2	54,213	0.6	59,372	0.7	59,647	0.6
Air Canada	56,470	0.7	45,058	0.5	36,636	0.4	41,175	0.5	48,985	0.5
Sun Country Airlines	15,889	0.2	23,836	0.3	27,276	0.3	28,732	0.3	34,886	0.3
Volaris	45,589	0.5	30,885	0.4	23,285	0.3	20,004	0.2	21,343	0.2
Others[5]	43,634	0.5	43,212	0.5	39,664	0.4	41,129	0.5	51,341	0.5
Total Air Carrier	8,153,091	95.1	8,225,257	94.1	8,596,062	94.6	9,114,013	93.8	9,587,857	93.9
Regional										
SkyWest[6]	263,144	3.1%	352,189	4.0%	341,365	3.8%	371,979	3.8%	301,592	2.9%
Compass[7]	–	–	–	–	8,563	0.1	140,012	1.4	249,723	2.4
Horizon[8]	5,900	0.1	77,392	0.9	84,000	0.9	83,764	0.9	64,758	0.6
Other	153,340	1.8	82,779	0.1	52,254	0.1	3,298	<0.1	2,292	<0.1
Total Regional	422,384	4.9	512,360	5.9	486,182	5.4	599,053	6.2	618,365	6.1
Total Enplanements	8,575,475	100.0%	8,737,617	100.0%	9,082,244	100.0%	9,713,066	100.0%	10,206,222	100.0%

1 Totals may not add due to rounding.
2 Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015. Enplanements are for both American and US Airways.
3 On October 1, 2010, United Airlines and Continental Airlines merged. United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012. Enplanements are for both United Airlines and Continental Airlines.
4 In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin currently are operating under separate FAA certificates, but are expected to begin operating under one certificate in the first quarter of 2018.
5 "Others" includes airlines that ceased operating at SDIA during the period shown in the table, and airlines with a Fiscal Year 2016 market share of less than 0.5%.
6 An affiliate of and doing business as United Express, Delta Connection and Alaska Airlines.
7 An affiliate of and doing business as American Airlines and Delta Air Lines.
8 An affiliate of and doing business as Alaska Airlines.
Source: San Diego County Regional Airport Authority

Landed Weight

The following table sets forth the total revenue landed weight for the largest passenger airlines and cargo carriers serving SDIA for the last five Fiscal Years, ranked on Fiscal Year 2016 results.

TABLE 10
San Diego International Airport
Total Revenue Landed Weight
(Ranked on Fiscal Year 2016 Results)
(in thousands of lbs.)[1]

Airline/Cargo Carrier	2012	2013	2014	2015	2016	2016% of Total
Southwest	3,953,536	3,907,554	3,925,362	4,214,314	4,257,162	35.3%
American[2]	1,344,140	1,339,751	1,349,554	1,359,911	1,467,922	12.2
United[3]	1,502,203	1,387,854	1,340,736	1,227,974	1,250,500	10.4
Delta	1,047,068	1,023,608	1,016,878	1,077,103	1,153,074	9.6
Alaska[4]	648,359	750,000	884,727	888,065	924,310	7.7
FedEx	452,453	451,797	419,127	384,686	444,038	3.7
SkyWest[5]	306,789	428,595	396,054	408,608	359,197	3.0
Spirit	98,931	208,200	245,669	296,925	351,977	2.9
Compass[6]	-	-	10,979	172,754	307,793	2.6
Virgin America[4]	208,253	235,934	232,136	240,781	281,411	2.3
JetBlue	166,232	168,080	189,979	193,848	199,232	1.7
British Airways	167,440	163,760	166,980	166,980	183,760	1.5
Hawaiian	118,088	140,637	147,325	146,284	147,406	1.2
Japan Airlines	-	47,125	138,700	138,700	139,080	1.2
United Parcel Service	120,454	118,180	121,742	127,660	135,318	1.1
Others	685,956	644,639	600,817	479,127	445,964	3.7
Total	10,819,901	11,015,716	11,186,765	11,523,720	12,048,144	100.0%
Annual % Change	2.0%	1.8%	1.6%	3.0%	4.6%	

1 Totals may not add due to rounding.
2 Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015. Enplanements are for both American and US Airways.
3 On October 1, 2010, United Airlines and Continental Airlines merged. United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012. Enplanements are for both United Airlines and Continental Airlines.
4 In December 2016, Alaska Air Group acquired Virgin America Inc. Alaska and Virgin currently are operating under separate FAA certificates, but are expected to begin operating under one certificate in the first quarter of 2018.
5 An affiliate of and doing business as United Express, Delta Connection and Alaska Airlines.
6 An affiliate of and doing business as American Airlines and Delta Air Lines.
Source: San Diego County Regional Airport Authority

Emergency Preparedness

The Authority has an approved Airport Emergency Plan ("AEP") as required under FAA regulations. The AEP addresses essential emergency-related and deliberate actions planned to ensure the safety of and emergency services of the populace of SDIA and the surrounding communities.

The Authority also has prepared a Business Continuity Plan ("BCP") to assist the organization in managing (a) minor events - business disruptions impacting a single Authority function/department, (b) moderate events – business disruptions impacting multiple Authority functions/department, and (c) major events – business disruptions impacting the entire Authority/SDIA. The plan contains information on emergency contact details, strategies to mitigate impact, procedures to be implemented and communication processes to be followed in response to business disruptions. The BCP is to be initiated at the outset of a disruptive event and includes operating SDIA during the emergency situation and business recovery steps to return the operation back over to regular management after the BCP leader deems the recovery to be complete.

The BCP, and all its components, are reviewed annually and a tabletop exercise conducted to test the readiness of the plan. Every two to three years, the BCP is subject to a full test during the execution of the testing of the AEP.

All employees of the Authority are responsible for maintaining the continuous operation of the organization in the event of a disaster. The BCP includes a recommended schedule to ensure that all employees undergo on-going training. While the BCP does not include recovery activities that are part of the AEP, it is the intent of management that both plans work in tandem with each other during an emergency incident. The Authority's internal Audit department periodically reviews the BCP and provides comments and suggestions for its improvement.

The Authority has developed, tested and evaluated a comprehensive set of emergency procedures for a probable disruptive event. These procedures and precautions seek to minimize the operational and financial impact on SDIA and the Authority. However, the Authority cannot predict whether SDIA would need to cease operations in the event of an emergency or what types of emergencies would cause SDIA to cease operating. The Authority is not able to predict for how long SDIA would be closed and whether the Authority's reserves would be adequate to return SDIA to full operation in the event of a cessation of operations due to an emergency.

AGREEMENTS FOR THE USE OF AIRPORT FACILITIES

The Authority has entered into, and receives payments under, different agreements with various airlines and other parties, including operating and lease agreements relating to landing fees and the leasing of space in terminal buildings, other building and miscellaneous leases regarding the leasing of cargo and hangar facilities, and concession agreements relating to the sale of goods and services at SDIA.

Airline Lease Agreements

The Authority has entered into separate, but substantially similar, Airline Operating and Lease Agreements (the "Airline Lease Agreements") with 18 passenger airlines operating at SDIA (the "Signatory Passenger Airlines") and 5 all-cargo carriers (the "Signatory Cargo Carriers," and together with the Signatory Passenger Airlines, the "Signatory Airlines"). The Airline Lease Agreements cover the use of and rate-setting mechanisms for the airfield and terminal facilities at SDIA. The Airline Lease Agreements have a term commencing on July 1, 2013 and terminating on June 30, 2018, unless terminated earlier pursuant to their terms. The Airline Lease Agreements may be terminated by the Authority or by the Signatory Airlines with or without cause or default upon the giving of no less than ninety days' notice in writing to the other party of the intention to so terminate. The Signatory Airlines and the Authority have begun negotiating a new airline operating and lease agreement, which the Authority expects to be effective by July 1, 2018. Since the negotiations with the Signatory Airlines are in their preliminary stages, the Authority cannot predict if certain terms of the new agreements will be materially different from the existing agreements. If a new agreement is not entered into by July 1, 2018, the Signatory Airlines will continue to operate at SDIA under the terms of the current Airline Lease Agreements on a month-to-month basis.

Under the Airline Lease Agreements, the Signatory Passenger Airlines operating in Terminal 1 (Alaska, Frontier and Southwest) have exclusive rights to use "Exclusive Use Premises" which consist of ticket counters, associated passenger queuing areas, ticket and baggage service offices and operational support areas. Under the Airline Lease Agreements, the Signatory Passenger Airlines operating in Terminal 2 (Air Canada, Allegiant, American, British Airways, Condor, Delta, Edelweiss, Hawaiian, Japan, JetBlue, Spirit, Sun Country, United, Virgin and WestJet) operate under "Common Use Premises" for ticket counters, free-standing self-service kiosks, skycap podiums, curbside positions and queuing areas, and "Exclusive Use Premises" for ticket and baggage offices and operation support offices. The Signatory Passenger Airlines in both Terminals 1 and 2 also receive the nonexclusive right to use "Joint-Use Premises," which include baggage claim areas and passenger holdrooms; and "Landing Areas," which include runways, taxiways, apron areas, roadways and other areas providing for landing, takeoff, handling, servicing, loading and unloading, and other operations of aircraft. The Airline Lease Agreements provide for common-use gates and preferential-use gates (provided the Signatory Passenger Airline satisfies certain operating thresholds) and do not permit gates to be assigned on an exclusive-use basis.

Pursuant to the Airline Lease Agreements, the landing fees at SDIA are calculated based on a residual rate-setting methodology and the terminal rental rates at SDIA are calculated based on a compensatory rate-setting methodology. Each Signatory Airline is required to pay landing fees on a monthly basis equal to the landed weight of each such Signatory Airline's planes which landed at SDIA for such month multiplied by the landing fee rate. The landing fee rate is equal to the airfield area net requirement divided by the total landed weight for all planes landing at SDIA. The airfield area net requirement is calculated as: (a) the sum of Operation and Maintenance Expenses of the Airport System attributable or allocable to the airfield, bond and other debt service attributable or allocable to the airfield, amortization charges attributable or allocable to the airfield, and reserve requirements attributable or allocable to the airfield; minus (b) the sum of certain airfield area adjustments, including, among others, terminal apron parking charges, overnight parking charges, fuel flowage fees, non-signatory landing fees, and federal, state and local grants and PFCs used to offset bond and other debt service attributable or allocable to the airfield.

Each Signatory Passenger Airline is required to pay terminal rentals on a monthly basis equal to the total area of the terminals allocable to each such Signatory Passenger Airline multiplied by the terminal rental rate. The terminal rental rate is equal to the terminal area net requirement divided by the total area of rentable premises in the terminal. The terminal area net requirement is calculated as: (a) the sum of Operation and Maintenance Expenses of the Airport System attributable or allocable to the terminal, bond and other debt service attributable or allocable to the terminal, amortization charges attributable or allocable to the terminal, and reserve requirements attributable or allocable to the terminal; minus (b) the sum of certain terminal area adjustments, including among others, non-signatory airline terminal rentals, FIS charges, and federal, state and local grants and PFCs used to offset bond and other debt service attributable or allocable to the terminal.

Pursuant to the Airline Lease Agreements, in addition to landing fees and terminal rentals, the Signatory Passenger Airlines are required to pay other fees and charges, including among others, security charges, Common Use System Support Charges, terminal apron parking charges and remain overnight parking charges.

Pursuant to the Airline Lease Agreements, for each Fiscal Year, the Authority is required to develop estimated landing fee rates, terminal rental rates, security surcharge, common use system support charges, terminal apron parking charges and overnight parking charges based on the Authority budget for such Fiscal Year. Before formally adopting the budget, and any resulting rental, fees, or charges, the Authority must consult with the Signatory Airlines and consider their comments regarding the budget and the calculation of the estimated rentals, fees, and changes. Pursuant to the Airline Lease Agreements, the Authority will review the rentals, fees, and charges throughout the Fiscal Year ("interim review") and at a minimum for January 1 of each Fiscal Year ("mid-year review"). If during any interim or mid-year review the Authority finds that the actual expenses and/or activity levels vary by more than 5% from those originally estimated by the Authority, whether more or less, Authority may, after consultation with the Signatory Airlines, adjust the rentals, fees, and charges.

Within seven months after the close of each Fiscal Year, the Authority will calculate the final rentals, fees and charges based on actual expenses and activities for the Fiscal Year. Any difference between the rentals, fees, and charges for these charges paid by the Signatory Airlines versus the rentals, fees, and charges to be paid based on actual expenses and activity for the Fiscal Year either will be refunded by the Authority to the Signatory Airlines or the Signatory Airlines will pay the Authority. Any amount due the Signatory Airlines as a result of such final accounting will be paid in the form of a cash payment to the Signatory Airlines in the next ensuing month. Any amount due the Authority as a result of such final accounting will be invoiced to the Signatory Airlines and due and payable on or before the tenth day of the next ensuing month.

The Airline Lease Agreements do not require the Authority to receive the approval of the Signatory Airlines for the construction of the Master Plan, the Capital Program, the Airport Development Plan or any other capital improvements at SDIA.

In an effort to better match capacity with demand in some markets, certain Signatory Passenger Airlines have entered into agreements with affiliated airlines to operate smaller aircraft on behalf of those Signatory Passenger Airlines. "Affiliate Airlines" are airlines that (a) have been designated by a Signatory Passenger Airline to operate at SDIA as its Affiliate, (b) have executed an Affiliate Airline Operating Agreement with the Authority and the Signatory Passenger Airline, (c) operate their air service at SDIA as the Signatory Passenger Airline under a shared International Air Transportation Association flight designator code, (d) are either wholly-owned by the Signatory Passenger Airline, a subsidiary of the same corporate parent as the Signatory Passenger Airline, or under contract to the Signatory Passenger Airline with respect to its operations as an Affiliate at SDIA, (e) do not sell seats in its own name on any aircraft operated at SDIA, and (f) sell all seats on any aircraft operated at SDIA in the name of the Signatory Passenger Airline. The Affiliate Airline Operating Agreements with the Affiliate Airlines allow the Affiliate Airlines to operate at SDIA on behalf of the applicable Signatory Passenger Airlines without the Affiliate Airline having to enter into an Airline Lease Agreement. Generally, the same rates, fees and charges applicable to the Signatory Passenger Airline's operations at SDIA also apply to the Affiliate Airline's operations at SDIA. In the event an Affiliate Airline fails to pay fees and charges to the Authority, the applicable Signatory Passenger Airline is responsible for the fees and charges billed to its Affiliate Airline. The following table sets forth the Signatory Passenger Airlines and their current Affiliate Airline relationships at SDIA.

TABLE 11
San Diego International Airport
Signatory Passenger Airlines and Their Affiliated Airlines

Signatory Passenger Airline	Affiliated Airline
Air Canada	Air Canada Rouge
Air Canada	Jazz Aviation
Alaska Airlines	Horizon Air
Alaska Airlines	SkyWest Airlines
American Airlines	Compass Air
Delta Air Lines	SkyWest Airlines
Delta Air Lines	Compass Air
United Airlines	SkyWest Airlines

Source: San Diego County Regional Airport Authority

See "FINANCIAL INFORMATION—Summary of Financial Results" for information with respect to aviation revenues collected by the Authority in Fiscal Year 2016.

Parking Agreement

The Authority has entered into an agreement with Ace Parking Management Inc. ("Ace Management") for the management of the parking facilities at SDIA. The agreement with Ace Management expires on the latter of August 31, 2018 or until a certificate of occupancy is issued for the new Terminal 2 West Parking Plaza (see "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Capital Program"). The agreement requires Ace Management to remit the gross revenues from the parking facilities it operates, on a daily basis, to the Authority. As compensation for Ace Management's performance under the agreement, the Authority pays Ace Management a fixed annual management fee and reimburses Ace Management for certain expenses incurred in the management and operation of the parking facilities.

The Authority sets rates for parking in the Authority's public parking lots. As of January 1, 2017, long-term parking rates were $13 to $20 per day, depending on location, and short-term parking rates were $4 for the first hour and a maximum of $32 for the first day, with every additional day being $32 per day.

As of January 1, 2017, valet parking rates were $36 per day. Public parking accounted for approximately $42.9 million of operating revenues in Fiscal Year 2016, equal to approximately 18.3% of operating revenues or approximately 35% of nonairline revenues.

Rental Car Agreements

As of April 1, 2017, there were 16 rental car companies (operating a total of 23 brands) authorized by the Authority to provide rental car services at SDIA. All of the major national brands are represented at SDIA (Advantage, Alamo, Avis, Budget, Dollar, Enterprise, E-Z, Hertz, National, Thrifty and ZipCar) as well as regional brands (Economy, Fox, Green Motion and Midway) and local brands (A1, Ace, Airport Van Rental, Horizon, Mex Rent a Car, Pacific, Payless, and TravCar). Seventeen of the brands lease space within and operate from the Rental Car Center (the "On-Airport Rental Car Companies"). The remaining 6 brands operate off-Airport by shuttling passenger between the Rental Car

Center and their off-Airport facilities (the "Off-Airport Rental Car Companies"). All rental car companies operating at the Airport must use the busing system to transport passengers to the terminals.

The Authority and each of the On-Airport Rental Car Companies have entered into a Non-Exclusive On-Airport Rental Car Concession Agreement (each a "Rental Car Concession Agreement"), pursuant to which the Authority has granted to each of the Rental Car Companies the right to operate a rental car concession at the Airport from the Rental Car Center on a nonexclusive basis for the purpose of arranging rental car services for the benefit of Airport customers where such rental car service is furnished by or on behalf of the Rental Car Company. Pursuant to the Rental Car Concession Agreements, each of the On-Airport Rental Car Companies pay the Authority a monthly concession fee equal to the greater of (a) a minimum monthly guarantee set forth in the Rental Car Concession Agreements or (b) 10% of the monthly gross revenues of such On-Airport Rental Car Company. Each of the Rental Car Concession Agreements expire on June 30, 2026. The On-Airport Rental Car Companies have agreed that the Authority will have, at the Authority's sole discretion, the option to extend the Rental Car Concession Agreements for four separate 5-year periods. Each additional 5-year term for which this option is exercised will commence at the expiration of the immediately preceding term. The Off-Airport Rental Car Companies operated at the Airport pursuant to a Non-Exclusive Off-Airport Rental Car Concession Agreement.

In addition to the Rental Car Concession Agreements, the Authority and each of the On-Airport Rental Car Companies have entered into a "Rental Car Center Lease Agreement." Pursuant to the terms of the Rental Car Center Lease Agreements, the Authority agreed to construct the Rental Car Center and the On-Airport Rental Car Companies have agreed to collect CFCs, pay Bond Funding Supplemental Consideration in the event CFCs are not sufficient to pay debt service on the Series 2014 Special Facilities Bonds, pay ground rent with respect to the respective space leased in the Rental Car Center, and certain reimbursable operating and maintenance costs of the Rental Car Center. Only Rental Car Companies that have entered into a Rental Car Concession Agreement are allowed to enter into a Rental Car Lease Agreement.

Pursuant to Section 1936 of the California Civil Code, in March 2009 and May 2010, the Board authorized the collection of a $10.00 per transaction CFC on rental cars rented from rental car companies operating at SDIA. On October 4, 2012, the Board adopted an alternative CFC collection rate, pursuant to Section 1936 of the California Civil Code, equal to $6.00 per transaction day, effective November 1, 2012; $7.50 per transaction day, effective January 1, 2014; and $9.00 per transaction day, effective January 1, 2017 (each such rate limited to 5 transaction days per transaction). The CFC is collected by the rental car companies from their customers and subsequently transferred to the Authority (or the trustee for the Series 2014 Special Facilities Bonds). The CFC revenues were used and are being used to pay the costs of the design and construction of the Rental Car Center, to pay the debt service on the Series 2014 Special Facilities Bonds, to fund certain funds and accounts associated with the Series 2014 Special Facilities Bonds and the operation and maintenance of the Rental Car Center, and to provide for the busing system between the terminals and the Rental Car Center. *CFC revenues are not included in Revenues and are not available for the payment of debt service on the Senior Bonds or the Subordinate Obligations (including the Subordinate Series 2017 Bonds).*

The Authority received approximately $27.8 million in payments (not including CFCs) from the On-Airport Rental Car Companies and Off-Airport Rental Car Companies in Fiscal Year 2016. The Authority recorded the receipt of approximately $33.2 million of CFC revenues in Fiscal Year 2016.

Terminal Concessions, Advertising and Other Agreements

As part of its Concessions Development Program, the Authority entered into 18 leases with a variety of vendors for 83 food, beverage and retail units at SDIA. The leases with respect to the food and beverage units commenced or commence on the date the applicable concession space is available for beneficial use by the vendor and expires on a date 10 years after such date of available use. The leases with respect to the retail units commenced or commence on the date the applicable concession space is available for beneficial use by the vendor and expires on a date 7 years after such date of available use. The leases provide for rental payments equal to the greater of a minimum annual guarantee ("MAG") or a percentage of gross income. For Fiscal Year 2016, gross sales for food and beverage outlets were $70.4 million, providing approximately $10.4 million in operating revenues to the Authority (which equaled a percentage of the gross sales for food and beverage outlets). For Fiscal Year 2016, gross sales for gift and news outlets were $40.8 million, providing approximately $6.4 million in operating revenues to the Authority (which equaled a percentage of the gross sales for gift and news outlets).

The Authority has entered into an advertising concession agreement with Joint Venture for the Operation of the Advertising Concession ("Joint Venture"). The advertising concession agreement expires on June 30, 2018 and provides for payments from Joint Venture equal to the greater of a MAG or a percentage of gross income received by Joint Venture from advertisements at SDIA. For Fiscal Year 2016, gross advertising income was $2.9 million, providing approximately $2.0 million in operating revenues to the Authority (which equaled the MAG).

The Authority also has entered into agreements with operators of vending machines, airport carts, ATMs and certain other concessionaires. Most of these operators pay the Authority the greater of a MAG or a percentage of gross income.

FINANCIAL INFORMATION

Summary of Financial Operations

Budgeting Process. The Authority operates as an enterprise fund and prepares its budget on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Authority has one fund and is a separate, independent and local government entity operating on a July 1 through a June 30 Fiscal Year.

The annual budget cycle includes the preparation of two budgets: one to be adopted by the Board for the next Fiscal Year and a conceptual budget for the subsequent Fiscal Year that the Board approves but does not adopt. The budget process usually begins in the fall with senior management collaborating with the Board to update, review and formulate the strategies and initiatives that will drive business performance. From October-January, the management team engages in cross-functional discussions to arrive at key decisions and agreements. The effort is designed to align divisional requirements with the Authority's overall strategies and initiatives. The Board is briefed continually to solicit input and direction throughout the process. As appropriate, strategic planning workshops and detailed briefings on the proposed operating and capital program budgets are held with the Board.

In January, the budget staff reviews financial results of the first six months of the then-current Fiscal Year. In February and March departments submit budget requests reflecting operating needs and programs to achieve the Authority's strategies and initiatives. Personnel, contractual services, utilities, maintenance, supplies and materials, business development, employee support, fixed assets (property, plant and equipment) and capital projects are proposed and reviewed. The Business & Financial Management, Talent, Culture & Capability, Accounting, Information & Technology Services, Terminals

& Tenants, Ground Transportation, Risk Management, Facilities Management and Facilities Development departments analyze the requests and weigh the cost/benefit impact, where appropriate. Meetings are held with each division to review their budget requests.

To ensure that the budget is funded adequately and to maintain the Authority's strong financial condition, the Financial Management team prepares an airline revenue budget that incorporates budget expenditure requests into the rate setting formula to determine projected rates, fees and charges to the airlines and non-airline revenue budget in consultation with the Business Management, Ground Transportation and Air Service Development departments.

In April–June, proposed operational and capital program budgets are distributed to the Board and a budget workshop is held to review the materials for input and guidance. The Board adopts the budget as a whole, and it may be amended as required, with Board approval, at any time during the year.

On June 1, 2017, the Board adopted the budget for Fiscal Year 2018 and approved, in concept, the budget for Fiscal Year 2019. The conceptual budget for Fiscal Year 2019 approved by the Board will be brought back to the Board in 2018 for review, any needed revisions and final adoption.

In 2016 the Authority received its 12th consecutive Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada ("GFOA") for its annual budget for Fiscal Year 2017. The Authority also has submitted its Fiscal Year 2018 Budget to GFOA for consideration of this award.

Fiscal Year 2018 Budget. Budgeted operating and non-operating revenues for Fiscal Year 2018 are $373.4 million, an increase of $28.4 million (or 8.2%) over Fiscal Year 2017 budgeted operating and non-operating revenues. This increase can be primarily attributed to an increase in capital grant contributions, building rentals, collection of security costs, certain concession revenues, ground transportation revenues and CFCs. Budgeted expenses for Fiscal Year 2018 are projected to increase $31.6 million, or 12.0%, over Fiscal Year 2017 budgeted expenses (which were $263.6 million). This increase is primarily attributable to increases in debt service costs, personnel costs, parking and shuttle operating costs, and Harbor Police costs. The Fiscal Year 2018 budget assumes 10.70 million enplaned passengers, versus 10.61 million enplaned passengers in the Fiscal Year 2017 budget (a 0.8% increase).

Conceptual Fiscal Year 2019 Budget. Budgeted operating and non-operating revenues for Fiscal Year 2019 are $399.3 million, an increase of $25.9 million (or 6.9%) over Fiscal Year 2018 budgeted operating and non-operating revenues. This increase can be primarily attributed to an increase in building rentals, security surcharges, concession revenues, parking revenues, ground transportation revenues and capital grant contributions. Budgeted expenses for Fiscal Year 2019 are projected to increase $12.0 million, or 4.1%, over Fiscal Year 2018 budgeted expenses (which are $295.2 million). This increase is primarily attributable to increases in debt service costs, non-personnel operating expenses, and personnel costs. The Fiscal Year 2019 budget assumes 10.89 million enplaned passengers, versus 10.70 million enplaned passengers in the Fiscal Year 2018 budget (a 1.8% increase).

Internal Controls. The Authority's Vice President, Finance/CFO and Treasurer establishes a system of internal controls that provides reasonable assurance regarding the achievement of objectives in the following categories: safeguarding assets; ensuring validity of financial records and reports; promoting adherence to policies, procedures, regulations and laws; and promoting effectiveness and efficiency of operations. A Chief Auditor heads the internal audit department that conducts financial reviews and audits on a periodic basis, and reports directly to the Board. In addition, the Authority has external auditors who review the annual financial statements of the Authority and express an opinion that the contents present fairly, in all material respects, the financial condition of the Authority.

Investment Practices. It is the policy of the Authority to invest public funds in a manner that will provide the highest security of the funds under management while meeting the daily cash flow demands of the Authority. The investment policies and practices of the Authority are based upon prudent money management and conform to all state and local statutes governing the investment of public funds. The Authority is authorized by California Government Code Section 53600 *et seq*. and Section 53630 *et seq.* to invest in investments listed therein. Prohibited investments include but are not limited to, inverse floating rate notes, range notes, interest-only strips that are derived from a pool of mortgages and common stock. The Authority may not invest any funds in any security that could result in zero interest accrual and zero discount accretion if held to maturity. Investments that exceed five years to maturity require authorization by the Board at least 30 days prior to purchase.

The following table sets forth a summary of the Authority's investments as of March 31, 2017:

TABLE 12
San Diego County Regional Airport Authority
Investments
(As of March 31, 2017)

Security Type	Market Value as of March 31, 2017	Percentage of Portfolio
U.S. Agency Securities	$104,421,000	22.5%
U.S. Treasuries	85,328,000	18.4
San Diego County Investment Pool	54,400,000	11.7
Local Area Investment Fund (LAIF)	48,020,000	10.3
Negotiable Certificates of Deposit	43,606,000	9.4
Collateralized Bank Demand Deposits	40,686,000	8.8
Medium Term Notes	39,559,000	8.5
Certificates of Deposit	15,387,000	3.3
Cal Trust	15,257,000	3.3
Commercial Paper	14,476,000	3.1
Supra Nationals	2,970,000	0.6
Money Market Fund	352,000	0.1
Total	$464,462,000	100.0%

Source: San Diego County Regional Airport Authority June 30, 2012 Investment Report.

Derivatives Policy. In September 2007, the Board adopted a derivatives policy which provides guidelines to be used by the Authority when entering into derivative financial products, including, but not limited to, interest rate swaps, interest rate caps and rate locks. As of the date of this Official Statement, the Authority has not entered into any contracts for derivative financial products.

Summary of Financial Results

Financial Results for Fiscal Years 2012 through 2016. The following table summarizes the financial results from operations for the Authority for Fiscal Years 2012 through 2016. See "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2016 AND 2015." BKD, LLP, the Authority's independent auditor, has not been engaged to perform, and has not performed, since the date of its report included in Appendix B attached hereto, any procedures on the financial statements addressed in that report. BKD, LLP also has not performed any procedures relating to this Official Statement.

TABLE 13
San Diego County Regional Airport Authority
Statements of Revenues, Expenses and Change in Net Position
(Dollars in Thousands)[1]

	2012[2]	2013	2014	2015	2016
Operating revenue:					
Aviation revenue					
Landing fees	$ 18,419	$ 19,658	$ 19,107	$ 21,390	$ 23,985
Aircraft parking fees	3,134	3,191	2,503	2,716	2,701
Building rentals	30,633	41,840	46,001	48,153	51,273
Security surcharge	18,649	23,360	25,777	25,180	29,223
Other aviation revenue	1,595	1,591	4,488	4,893	5,023
Concession revenue	40,427	42,041	47,770	52,496	56,274
Parking and ground transportation revenue	31,470	35,750	38,959	41,632	48,106
Ground rentals	8,044	9,162	9,603	13,074	16,226
Other operating revenue	1,179	905	1,529	971	1,183
Total operating revenue	153,550	177,498	195,737	210,505	233,994
Operating expenses:					
Salaries and benefits	37,237	38,092	39,135	39,212	42,067
Contractual services	26,906	29,284	31,559	32,422	38,215
Safety & security	22,625	23,994	24,151	23,466	28,721
Space rental	11,415	10,897	10,478	10,433	10,367
Utilities	6,674	6,659	8,680	10,152	11,480
Maintenance	8,497	11,204	13,982	14,516	14,122
Equipment and systems	403	469	643	1,805	708
Material and supplies	304	406	440	519	536
Insurance	764	795	988	1,145	949
Employee development & support	916	1,235	1,171	1,136	1,242
Business development	2,093	2,444	2,661	2,493	2,390
Equipment rental and repair	1,335	1,317	2,932	2,951	2,852
Total operating expenses before depreciation and amortization	119,169	126,796	136,821	140,250	153,651
Income from operations before depreciation and amortization	34,381	50,702	58,916	70,255	80,343
Depreciation and amortization	44,532	41,624	77,205	77,559	83,578
Operating (loss)	(10,151)	9,078	(18,289)	(7,304)	(3,235)
Non-operating revenues (expenses):					
Passenger facility charges	34,639	35,437	35,770	38,517	40,258
Customer facility charges	11,487	19,117	27,545	32,465	33,208
Quieter Home Program, net	(3,531)	(1,589)	(2,750)	(2,811)	(3,698)
Joint Studies Program	(73)	(55)	(152)	(145)	(101)
Interest income	5,492	4,140	5,211	5,747	5,999
Interest expense	(2,027)	(16,530)	(56,376)	(59,516)	(54,878)
"Build America Bond" rebate	4,996	4,779	4,636	4,631	4,656
Other revenues (expenses), net	(3,032)	(4,279)	434	1,367	2,247
Non-operating revenue, net	47,951	41,020	14,318	20,255	27,690
Income before capital grant contributions	37,800	50,098	(3,971)	12,951	24,456
Capital grant contributions	20,834	16,077	3,924	10,765	10,477
Change in net position	58,634	66,175	(47)	23,716	34,933
Net position, beginning of year	602,255	660,889	727,064	719,024 [3]	742,740
Net position, end of year	$660,889	$727,064	$727,018	$742,740	$777,673

[1] Totals may not add due to rounding.
Source: Derived from the audited financial statements of the Authority.

Management's Discussion of Fiscal Year 2016 Financial Results. Total operating revenue for Fiscal Year 2016 increased $23.4 million over Fiscal Year 2015. Aviation revenue for Fiscal Year 2016 increased $9.9 million over Fiscal Year 2015. The increase in total airline revenue was primarily due to an increased cost recovery for the airlines due to higher operating expenses. Landing fees increased by $2.6 million in Fiscal Year 2016 due to increased airfield costs. Building rentals increased by $3.1 million or 6.5% due to increased terminal costs. Security surcharges increased by $4.0 million or 16.1%, primarily due to increased Harbor Police expenses and higher terminal rental rate for security checkpoints. Non-airline terminal rent decreased by $473,000 or 31.4%, primarily due to consolidation of ground servicing companies. Concession revenue increased by $3.8 million reflecting increased enplanements and higher per-enplanement sales. Parking and ground transportation increased by $6.5 million or 15.5%, due to higher enplanements and higher recovery on ground transportation costs. Ground rentals increased in Fiscal Year 2016 by $3.6 million primarily due to the Rental Car Center land lease starting January 2016. Other operating revenue increased by $212,000 due to higher landing fees at the Fixed Base Operator, higher utility reimbursements, and higher fees for miscellaneous services.

Operating expenses, before depreciation and amortization expense, for Fiscal Year 2016 increased by $13.4 million, or 8.9%, from $217.8 million to $237.2 million when compared to Fiscal Year 2015. Contributing to this increase were the following: salaries and benefits increased $2.9 million or 7.3%, mostly due to planned wage and benefit increases; contractual services increased by $5.8 million or 17.9%, as a result of additional busing costs for the Rental Car Center that opened in January 2016; safety and security increased $5.3 million or 22.4%, reflecting an increase in law enforcement training and benefit costs; and utilities increased $1.3 million or 13.1%, due to higher rates and increased power usage at the Rental Car Center. Offsetting these increases were the following decreases: maintenance of $394,000 due to lower major maintenance costs; equipment and systems of $1.1 million due to decreased IT equipment purchases; insurance of $195,000 primarily due to lower property insurance rates; business development of $103,000 due to a delay in planned advertising; equipment rentals and repairs of $99,000 due primarily to lower IT maintenance contracts and lower printer costs.

Depreciation and amortization increased by $6.0 million as the Rental Car Center was brought into service. Non-operating revenue (net) increased by $7.4 million or 36.7% in Fiscal Year 2016. This was primarily due to the higher PFC revenues of $1.7 million or 4.35%, due to increased enplaned passengers. Additionally, CFC revenues increased $743,000 due to increased rental car transactions. Offsetting these increases was other non-operating income (expenses) net by $879,000 or 64.3%, mainly due to unrealized gains on investments. The Quieter Home Program net expenses increased by $887,000 or 31.6%, due to increased program activity in Fiscal Year 2016. Net interest expense decreased by $4.7 million or 8.5%, mainly due to higher capitalized interest.

Management's Discussion of Financial Results for First Nine Months of Fiscal Year 2017. For the nine months ended March 31, 2017, total operating revenues were $185.2 million which was 3% higher than budget and $10.1 million (8%) higher than the equivalent period for Fiscal Year 2016. The increase over the previous Fiscal Year is due to stronger performance of concession revenue of $4.8 million due to higher sales per enplanement and increased enplanements. Aviation revenue was $4.3 million greater than the prior Fiscal Year mainly due to the recovery of increased security costs.

For the nine months ended March 31, 2017, total operating expenses were $118.8 million which was 4% under budget and $7.5 million (6%) higher than the equivalent period from Fiscal Year 2016. The increase over the prior period was mainly due to higher costs associated with a full nine months operation of the Rental Car Center compared to less than three months operation in the equivalent period from Fiscal Year 2016. Harbor Police costs and terminal maintenance expenses were also higher in Fiscal Year 2017.

Non-operating revenues were $19.4 million for the nine months ended March 31, 2017, compared to $28.8 million for the nine months ended March 31, 2016. This decrease was primarily due to a decrease in FAA grant revenues of $9.4 million. The nine months ended March 30, 2016 coincided with large portions of the Northside Utilities and Northside Taxiway construction projects that received FAA grants.

Revenue Diversity

The following table sets forth the top ten operating revenue providers at SDIA for Fiscal Year 2016.

TABLE 14
San Diego County Regional Airport Authority
Top Ten Operating Revenue Providers
(Fiscal Year 2016)

	Revenue Provider	Revenues	Percent of Total Operating Revenue
1.	Southwest Airlines	$33,838,686	14.5%
2.	American Airlines	15,321,505	6.5
3.	United Airlines	14,518,119	6.2
4.	Delta Air Lines	14,418,056	6.2
5.	Alaska Airlines	10,612,367	4.5
6.	Enterprise Holdings	9,451,127	4.0
7.	Hertz Global Holdings	8,225,179	3.5
8.	Avis Budget Rent-A-Car Group	5,540,949	2.4
9.	Landmark Aviation	5,536,511	2.4
10.	SSP America	4,476,873	1.9

Source: San Diego County Regional Airport Authority

The following table sets forth the top ten revenue sources at SDIA for Fiscal Year 2016.

TABLE 15
San Diego County Regional Airport Authority
Top Ten Operating Revenue Sources
(Fiscal Year 2016)

	Source	Revenue	Percent of Total Operating Revenue
1.	Terminal Rent-Airlines	$53,536,280	22.9%
2.	Parking	42,872,849	18.3
3.	Security Surcharge	29,223,097	12.5
4.	Car Rental License Fees[1]	27,025,167	11.5
5.	Terminal Concessions	24,017,969	10.3
6.	Landing Fees	23,984,793	10.3
7.	Ground Rent	15,193,757	6.5
8.	Ground Transportation Permits	4,974,144	2.1
9.	Ground Handling Services	2,766,945	1.2
10.	Aircraft Parking Fees	2,701,219	1.2

[1] Excludes CFC revenues, of which the Authority recorded the receipt of $33,207,946 in Fiscal Year 2016.

Source: San Diego County Regional Airport Authority

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Historical Debt Service Coverage

The following table shows historical senior and subordinate debt service coverage for Fiscal Years 2012 through 2016.

TABLE 16
San Diego County Regional Airport Authority
Historical Senior and Subordinate Debt Service Coverage

	2012	2013	2014	2015	2016
Net Revenues					
Revenues[1]	$158,311,779	$181,051,929	$199,834,430	$214,770,544	$238,640,326
Operating and Maintenance Expenses	(118,941,148)	(126,662,546)	(136,604,105)	(142,781,639)	(151,327,219)
Net Revenues Available for Debt Service	$39,370,631	$54,389,383	$63,230,326	$71,988,905	$87,313,106
***Senior Debt Service*[2 3]**					
Senior Bonds					
Principal	$3,430,000	$ –	$ –	$ 2,030,000	$ 2,090,000
Interest	1,925,975	2,478,489	16,645,435	18,034,575	18,414,600
Less: PFCs Applied to Senior Debt Service	–	(714,077)	(7,140,301)	(8,669,966	(9,490,326)
Total Senior Debt Service	$5,355,975	$1,764,412	$9,505,134	$11,394,609	$11,014,274
Senior Debt Service Coverage	7.35x	30.83x	6.65x	6.32x	7.93x
***Subordinate Debt Service*[4]**					
Subordinate Net Revenues Available for Debt Service	$34,014,656	$52,624,971	$53,725,192	$60,594,296	$76,298,832
Subordinate Series 2010 Bonds					
Principal	$ 980,000	$ 1,000,000	$ 5,785,000	$ 8,665,000	$ 9,000,000
Interest[5]	6,599,760	26,194,616	27,069,283	26,853,179	26,495,600
Short-Term Subordinate Obligations[6]	1,077,867	5,519,872	6,446,951	6,736,945	6,760,189
Less: PFCs Applied to Subordinate Debt Service	–	(20,061,962)	(20,718,863)	(21,554,245)	(20,331,674)
Total Subordinate Debt Service	$8,657,627	$12,652,526	$18,582,372	$20,700,879	$21,924,115
Subordinate Debt Service Coverage	3.93x	4.16x	2.89x	2.93x	3.48x
Aggregate Senior and Subordinate Debt Service					
Net Revenues Available for Debt Service	$39,370,631	$54,389,383	$63,230,326	$71,988,905	$87,313,106
Aggregate Debt Service (Bonds)					
Principal[7]	$4,410,000	1,000,000	5,785,000	10,695,000	11,090,000
Interest[5,7]	8,525,735	28,673,105	43,714,718	44,887,754	44,910,200
Short-Term Subordinate Obligations[6]	1,077,867	5,519,872	6,446,951	6,736,945	6,760,189
Less: PFCs Applied to Senior and Subordinate Debt Service	–	(20,776,039)	(27,859,164)	(30,224,211)	(29,822,000)
Total Aggregate Debt Service	$14,013,602	$14,416,938	$28,087,505	$32,095,488	$32,938,389
Aggregate Debt Service Coverage	2.81x	3.77x	2.25x	2.24x	2.65x

1 Does not include grants which are otherwise included in the definition of Revenues. Grants which are not otherwise restricted by their terms to the payment of debt service on Senior Bonds and/or Subordinate Obligations are included in the definition of Revenues.
2 Senior Debt Service is calculated pursuant to the provisions of the Master Senior Indenture.
3 Includes principal of and interest paid on the Authority's Airport Revenue Refunding Bonds, Series 2005 (the "Senior Series 2005 Bonds"), which were fully defeased on December 21, 2012, and the Senior Series 2013 Bonds.
4 Subordinate Debt Service is calculated pursuant to the provisions of the Master Subordinate Indenture.
5 Net of interest paid with proceeds of the Subordinate Series 2010 Bonds and Federal Direct Payments received by the Authority with respect to the Subordinate Series 2010C Bonds.
6 Includes principal of and interest on the Authority's previous commercial paper program and the fees paid to the commercial paper letter of credit bank, and the Subordinate Revolving Obligations.
7 Includes principal of and interest on the Senior Series 2005 Bonds (which were fully defeased on December 21, 2012), the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds.
Source: San Diego County Regional Airport Authority

Historical Airline Cost Per Enplaned Passenger

The following table sets forth historical airline costs (landing fees, terminal building rentals, airport police/security reimbursement fees and fuel and other franchise fees) of operating at SDIA for the past five Fiscal Years.

TABLE 17
San Diego International Airport
Airline Derived Revenue Per Passenger

Airline Revenues	2012	2013	2014	2015	2016
Landing Fees[1]	$18,947,013	$20,186,247	$19,442,312	$21,616,219	$24,073,489
Aircraft Parking Fees[2]	3,134,539	3,190,928	2,503,181	2,715,854	2,701,219
Terminal Rentals[1,3]	30,346,360	41,582,243	46,091,817	48,227,864	51,389,765
FIS Use Charges	354,601	424,433	745,116	710,178	735,034
Security Surcharge	18,649,147	23,359,938	25,776,517	25,179,679	29,223,097
Common Use Charges	–	–	1,133,839	1,254,818	1,152,458
Total Airline Revenue	$71,431,660	$88,743,789	$95,692,782	$99,704,612	$109,275,061
Enplaned Passengers	8,575,475	8,737,617	9,082,244	9,713,066	10,206,222
Airline Derived Revenue Per Passenger	$8.33	$10.16	$10.54	$10.26	$10.71

[1] Excludes rebates.
[2] Amount excludes general aviation remote overnight parking.
[3] Excludes Executive Lounge rent and rebates in the amount of approximately $1.4 million in Fiscal Year 2016.
Source: San Diego County Regional Airport Authority

Pension and Retirement Plans

Authority Pension Plan. All full-time employees of the Authority are eligible to participate in the Authority's defined-benefit pension plan, the Amended and Restated San Diego County Regional Airport Authority Retirement Plan and Trust of 2013 (the "Authority Pension Plan"), which provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The Authority Pension Plan is administered by the San Diego City Employees' Retirement System ("SDCERS"), which is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for the City, the Port District and the Authority, and is administered by the Retirement Board of Administration (the "Retirement Board"). Each of the Authority, the City and the Port District has a separate plan and each employer's contributions are held in trust, although all contributions to SDCERS are pooled for investment purposes, managed and invested by the Retirement Board. See "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015—Note 6. Defined-Benefit Plan" for more information on the Authority's Pension Plan.

The City Municipal Code requires member contributions to be actuarially determined to provide a specific level of benefit. Member contribution rates, as a percentage of salary, vary according to age at entry, benefit tier level, and certain negotiated contracts which provide for the Authority to pay a portion of the employees' contributions. The Authority's contribution rate as determined through actuarial valuation was 12.74% for Fiscal Year 2017 and was 12.94% for Fiscal Year 2016 and is expressed as a percentage of covered payroll. For Fiscal Year 2017, the Authority contributed approximately $5.8 million to the Authority Pension Fund, and for Fiscal Year 2016, the Authority contributed approximately

$5.8 million to the Authority Pension Fund. For Fiscal Year 2018, the Authority has budgeted a contribution of approximately $8.1 million to the Authority Pension Fund. The Authority has always made its full required contributions to the Authority Pension Plan. The Authority cannot predict the levels of funding that will be required in the future.

The following table sets forth certain information about the funding status of the Authority Pension Plan that has been extracted from the comprehensive annual financial reports of SDCERS for the fiscal years ended June 30, 2012 through, and including, 2016 (collectively, the "SDCERS CAFRs (2012-2016)"), and the actuarial valuation reports provided to SDCERS by Cherion, Inc. for the fiscal years ended June 30, 2012 through, and including, 2016 (collectively, the "Actuarial Reports (2012-2016)"). Complete copies of the SDCERS CAFRs (2012-2016) and the Actuarial Reports (2012-2016) can be obtained from SDCERS by writing to the San Diego City Employees' Retirement System, Suite 400, 401 West A Street, San Diego, California 92101 and from the SDCERS website at www.sdcers.org. No information contained on such website is incorporated into this Official Statement.

TABLE 18
Funding Status of Authority Pension Plan
(Dollars in thousands)

Fiscal Year Ended June 30	Actuarial Value of Assets [a]	Market Value of Assets [b]	Actuarial Accrued Liability [c]	Unfunded Actuarial Accrued Liability (Actuarial Value) [c]-[a]	Funded Ratio (Actuarial Value) [a]/[c]	Unfunded Actuarial Accrued Liability (Market Value) [c]-[b]	Funded Ratio (Market Value) [b]/[c]	Covered Payroll [d]	UAAL as a Percentage of Covered Payroll (Actuarial Value) [[c-a]/[d]]
2012[2]	$ 95,792,613	$91,997,000	$97,224,854	$ 1,432,241	98.5%	$ 5,227,854	94.6%	$24,839,570	5.8%
2013[3]	107,616,363	108,456,000	115,200,048	7,583,685	93.4	6,744,048	94.1	26,380,323	28.7
2014[4]	121,917,826	130,228,000	127,174,087	5,256,261	95.9	(3,053,913)	102.4	27,955,455	18.8
2015[5]	135,858,959	138,544,185	139,786,634	3,927,675	97.2	1,242,448	99.1	29,189,357	13.5
2016[6]	148,084,058	143,873,239	165,666,873	17,582,816[7]	89.4	21,793,635	86.8	31,131,795	56.5

[1] In June 2010, the Board adopted a resolution directing the Authority to maintain the Authority Pension Plan funding ratio at a minimum of 90%, with a corresponding strategy to incrementally improve the funding ratio to a 95% target/goal. If the funding ratio falls below 90%, additional contributions are required to be made by the Authority to the Authority Pension Plan in amounts sufficient to increase the funding ratio by at least 1% each Fiscal Year until the 90% funding ratio is reached.
[2] For the June 30, 2012 valuation, the Authority Pension Plan's assets were assumed to earn 7.50% (net of expenses) per annum. The June 30, 2012 valuation also assumed that salaries will increase 3.75% per annum.
[3] For the June 30, 2013 valuation, the Authority Pension Plan's assets were assumed to earn 7.25% (net of expenses) per annum. The June 30, 2013 valuation also assumed that salaries will increase 3.30% per annum.
[4] For the June 30, 2014 valuation, the Authority Pension Plan's assets were assumed to earn 7.25% (net of expenses) per annum. The June 30, 2014 valuation also assumed that salaries will increase 3.30% per annum.
[5] For the June 30, 2015 valuation, the Authority Pension Plan's assets were assumed to earn 7.125% (net of expenses) per annum. The June 30, 2015 valuation also assumed that salaries will increase 3.175% per annum.
[6] For the June 30, 2016 valuation, the Authority Pension Plan's assets were assumed to earn 7.00% (net of expenses) per annum. The June 30, 2016 valuation also assumed that salaries will increase 3.05% per annum.
[7] The significant increase in the unfunded actuarial accrued liability for the fiscal year ended June 30, 2016 is attributable to changes in demographic and economic assumptions (i.e., investment rate of return), with the largest increase coming from changes in the mortality assumptions.
Source: SDCERS CAFRs (2012-2016) and Actuarial Reports (2012-2016); and San Diego County Regional Airport Authority.

Postemployment Health Benefits. In addition to the pension benefits provided under the Authority Pension Plan, the Authority provides medical, dental, vision and life insurance postretirement benefits ("Postemployment Health Benefits") for nonunion employees hired prior to May 1, 2006, and union employees hired prior to October 1, 2008. The employees are eligible for these benefits if they retire from active employment after age 55 with 20 years of service or age 62 with five years of service. In May 2009, the Board approved an agreement with the California Employers' Retiree Benefit Trust ("CERBT") fund, which is managed by the California Public Employees Retirement System ("CalPERS"), to administer the Authority's Postemployment Health Benefits. See "Note 8. Other Postemployment Benefits" in the Authority's financial statements for the year ended June 30, 2016 attached hereto as "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO

COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015" for more information on the Authority's Postemployment Health Benefits.

For Fiscal Year 2017, the Authority paid approximately $2.0 million for Postemployment Health Benefits. For Fiscal Year 2018, the Authority has budgeted approximately $2.0 million to be paid for Postemployment Health Benefits.

The following table sets forth certain information about the funding status of the Authority's Postemployment Health Benefits derived from the biennial actuarial valuations for the plan, dated July 1, 2013 and 2015. See also "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015—Note 8. Other Postemployment Benefits."

TABLE 19
Funding Status of Authority's Postemployment Health Benefits
(Dollars in thousands)

Actuarial Valuation Date (July 1)	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll	Interest Rate	Salary Scale
2013	$12,667	$31,553	$18,886	40.1%	$17,567	107.5%	7.4%	3.0%
2015	18,917	34,587	15,670	54.7	16,809	93.2	7.3	3.0

Source: Financial Statements of the Authority for the Fiscal Years ended June 30, 2016 and 2014.

The plan costs are derived by making certain specific assumptions as to the rates of interest, mortality, turnover and the like, which are assumed to hold for many years into the future. Actual experience may differ somewhat from the assumptions and the effect of such differences is spread over all periods. Due to these differences, the costs determined by the valuation must be regarded as estimates of the true plan costs.

Nonunion employees hired after May 1, 2006 and union employees hired after October 1, 2008 are not eligible to receive the Postemployment Health Benefits described above, but they are eligible to participate in a voluntary employee beneficiary association plan ("VEBA"). Currently, 236 employees of the Authority participate in VEBA. The Authority contributes approximately $600 per year to VEBA for each employee that participates, and each participating employee must contribute $300 per year. Upon their retirement, participants in VEBA may use the amounts deposited to VEBA by the Authority and the participant to pay for medical expenses.

Risk Management and Insurance

Pursuant to the Senior Indenture and the Subordinate Indenture the Authority is required to procure and maintain commercial insurance with respect to the facilities constituting the Airport System and public liability insurance in the form of commercial insurance if such insurance is obtainable at reasonable rates and upon reasonable terms and conditions. The amounts and risks required to be insured under the Senior Indenture and the Subordinate Indenture are subject to the Authority's prudent judgment taking into account, but not being controlled by, the amounts and types of insurance or self-insured programs provided by similar airports. The Authority may satisfy some of these insurance requirements through qualified self-insurance or self-insured retentions.

The Authority maintains airport owners and operators primary general liability insurance with coverage of $500 million for losses arising out of liability for airport operations. The Authority has also purchased a "War, Hijacking and Other Perils Endorsement" with coverage of up to $150 million. Coverage under this endorsement may be terminated at any time by the underwriters and terminates automatically upon the outbreak of war (whether there has been a declaration of war or not) between any two or more of the following: France, the People's Republic of China, the Russian Federation, the United Kingdom or the United States, and certain provisions of the endorsement are terminated upon the hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

The cost of earthquake coverage for the Airport remains cost prohibitive and is not available in significant amounts. Effective July 1, 2007, the Authority removed the purchase of commercial earthquake insurance from its Risk Management program and increased reliance on the laws designed to assist public entities through the Federal Emergency Management Agency ("FEMA") and the California Disaster Assistance Act ("CDDA"). As of April 30, 2017, the Authority had designated $9,412,300 from its net position as an insurance contingency, which could be used in the event of damage to the Airport from an earthquake, among other things. In the future, the Authority could decide to increase or decrease the amount of this reserve.

Additionally, a $2 million contingency reserve has been established, within unrestricted net position, by the Authority's management to respond to uninsured and underinsured catastrophic losses. This fund is maintained pursuant to Board action only; there is no other requirement that it be maintained. Management considers this contingency reserve to be designated to cover the cost of future retentions, deductibles and uninsured claims.

The Authority maintains a property insurance policy with limits of $1.5 billion providing all risk and flood coverage on physical assets. During Fiscal Year 2017, there were no significant reductions in insurance coverage from the prior year. For each of the past three Fiscal Years, settlements have not exceeded insurance coverage.

The Authority has an active loss prevention program, staffed by a senior manager of risk, a full-time construction and insurance risk manager, a risk analyst, a risk coordinator, a safety manager and a two safety analysts. In addition, insurer property and casualty loss control engineers conduct safety surveys on a periodic basis. Employees receive regular safety training and claims are monitored using a web-based claims information system.

DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT

Master Plan

In 2001, the Port District prepared the Airport's first comprehensive master plan, however, the plan was never adopted by the Port District. The Authority determined that the 2001 master plan needed to be updated as a result of the events of September 11, 2001, the transfer of the Airport to the Authority in 2003, a new aviation activity forecast of future aviation demand at the Airport completed in May 2004, and the outcome of the Airport Site Selection Program which culminated in a County-wide ballot measure in November 2006. In May 2008, the Board approved the Airport Master Plan for San Diego International Airport (the "Master Plan"), which was developed to address requirements for accommodating near term passenger growth at the Airport through 2015 and to consider conceptual improvements through 2030. The Master Plan's primary goals include, among others, the improvement of air service and customer service, the improvement of safety and security at the Airport, the efficient utilization of property and facilities, and the enhancement of the Airport access as part of the region's transportation system.

The Master Plan comprises four components: airfield, terminal, ground transportation and airport support. The airfield component includes aircraft movement areas such as runway, taxiways and aircraft parking apron. The terminal component includes passenger processing areas including ticket counters, security facilities, hold rooms and baggage claim. The ground transportation component includes the roadway/transit circulation system, parking areas and rental car facilities. The airport support component includes the Airport/airline maintenance, cargo and general aviation facilities.

The five primary steps of the Master Plan process are: (a) preparation of an aviation forecast; (b) development of facility requirements and draft preliminary concepts; (c) preparation of the preferred development concept (including development of an array of concepts for the Airport facilities, coordination of the Airport tenants and airlines, development of an off-airport transit plan); (d) preparation of a preliminary financial analysis, including development of a cost estimate on preliminary concepts and the financial feasibility of major project components; and (e) State/federal environmental analyses and State coastal permitting.

The Master Plan identified several near-term improvement needs for SDIA, including, among others, additional terminal space, south-side aircraft remain overnight parking positions, roadway access improvements and ground transportation facilities improvements to meet the forecasted demand of increased passenger traffic at SDIA. The Authority developed its Green Build Program to implement the near-term improvements at SDIA. The Green Build Program, which was substantially completed in August 2013 for approximately $811 million, consisted of, among other improvements: (i) constructing 10 new gates on Terminal 2 West, (ii) constructing a new aircraft parking apron and aircraft taxi lane, (iii) expanding vehicle circulation serving Terminal 2 East and West by constructing a dual-level roadway featuring an arrivals curb on level one and a departures curb on level two, (iv) expanding concession areas in Terminal 2 West by providing more dining and shopping options, (v) constructing an improved/expanded security checkpoint in Terminal 2 West, and (vi) constructing new holding areas at the gates in Terminal 2 West.

In addition to the Green Build Program, the Authority's planning and development of the northside of the Airport was part of the Master Plan near-term improvements. The northside improvements included the Rental Car Center and the new general aviation facilities.

See "AIRPORT ENVIRONMENTAL MATTERS—Master Plan Environmental Impact Report and Environmental Assessment" for a discussion of the environmental impact report certified by the Board with respect to the Master Plan.

Airport Development Plan

In 2012, the Authority embarked on the next master-planning effort for the Airport once the Green Build Program was completed. This plan, known as the "Airport Development Plan" (the "ADP"), focuses on replacement of Terminal 1, which is over 50 years old, and the creation of new non-airline revenue opportunities. It also will determine the highest and best uses for the remaining available property on the northside of the Airport and the TDY Property (an approximately 47 acre parcel of land located on North Harbor Drive that the Authority leases from the Port District).

In November 2015, the Board selected a preferred alternative concept and directed Authority staff to continue the ADP process by refining the program design and financial feasibility plan, performing the environmental analysis, and developing a regionally-accepted Airport Access Road concept. A refined concept was presented to and approved by the Board in March 2017. In addition to the replacement of Terminal 1, the refined concept includes:

- The potential for non-airline revenue producing commercial development
- A more efficient flight line and elimination of taxiway alleyways
- A simplified roadway layout
- Additional Remain Overnight aircraft parking spots

In May 2017, the Authority adopted strategic initiatives that prioritize the advancement of the ADP and the development of a construction-ready plan by 2019 for replacement of Terminal 1. At this time, the Authority is evaluating, and therefore is unable to predict, when construction will begin on the projects included in the ADP, the cost of such projects or how such projects will be financed.

Capital Program

In addition to the Master Plan, the Board has adopted a capital improvements program policy (the "CIP Policy"), which requires the Authority to establish a capital improvement program for the orderly maintenance and development of SDIA. Pursuant to the CIP Policy, each year the Authority's Executive Director is required to submit to the Board a development program of desirable capital improvements that are within the Authority's financial funding capability. The Authority's current 5-year capital improvement program, the Capital Program, sets forth projects that are to be completed at SDIA between Fiscal Years 2018 and 2022. The projects in the Capital Program include, among others, the Terminal 2 West Parking Plaza (consisting of a 3-story, 2,900 parking space, public parking structure located across from Terminal 2), the new FIS facility in Terminal 2 West, and various other airfield, terminal and landside projects. The Capital Program has an estimated cost of approximately $1.2 billion (in actual dollars) (approximately $175.2 million of such costs have already been incurred by the Authority as of June 30, 2017). See Section 1.3 of the Financial Feasibility Report in Appendix A for additional information about the Capital Program, including, among other things, information about the projects included in the Capital Program and the estimated costs of those projects.

Funding Sources for Capital Program

General. The Authority anticipates financing the Capital Program with a combination of proceeds of the Subordinate Series 2017 Bonds (approximately $321 million); proceeds of Additional Senior Bonds to be issued in 2018 (approximately $353 million); internally generated cash of the Authority (approximately $310 million); PFC revenues on a pay-as-you-go basis (approximately $88 million); federal Airport Improvement Program ("AIP") grants (approximately $54 million); proceeds of the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds (approximately $[12] million); and other sources (approximately $[69] million).

TABLE 20
San Diego International Airport
Funding Sources for Capital Program

	Estimated Project Costs[1]	Subordinate Series 2017 Bonds	Additional Senior Bonds	Authority Funds	Pay-As-You-Go PFCs	AIP Grants	Senior Series 2013 Bond, Subordinate Series 2010 Bonds and Other Sources
Airside	$437,737,275	$ 32,027,640	$230,371,764	$ 83,722,243	$35,697,478	$51,200,000	$ 4,718,150
Landside	303,153,227	130,000,000	59,529,155	40,437,719	–	–	73,186,353
Ancillary	248,095,461	149,000,000	18,138,230	40,957,231	40,000,000	–	–
Terminal	167,110,335	10,000,000	11,866,875	126,808,944	12,751,495	3,000,000	2,683,021
Administrative	51,757,634	–	33,328,350	18,429,284	–	–	–
Total	$1,207,853,932	$321,027,640	$353,234,374	$310,355,421	$88,448,973	$54,200,000	$80,587,524

1 Estimated costs include design, engineering, construction, escalation and contingency amounts.
Source: San Diego County Regional Airport Authority

Subordinate Series 2017 Bonds and Additional Senior Bonds. The Authority will use approximately $321 million of the proceeds of the Subordinate Series 2017 Bonds and approximately $353 million of the proceeds of Additional Senior Bonds to finance a portion of the costs of the Capital Program). As of the date of this Official Statement, the Authority expects to issue the Additional Senior Bonds in late-2018.

Passenger Facility Charges. The Aviation Safety and Capacity Expansion Act of 1990, as amended (the "PFC Act"), as implemented by the FAA pursuant to published regulations (the "PFC Regulations"), permits public agencies controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1.00, $2.00 or $3.00 PFC with certain qualifying airports permitted to charge a maximum PFC of $4.50. Regardless of the number of PFC applications which have been approved by the FAA, an airport can only collect a maximum of $4.50 on each enplaning passenger. Public agencies wishing to impose and use these PFCs must apply to the FAA for such authority and satisfy the requirements of the PFC Act.

The purpose of the PFC is to develop an additional capital funding source to provide for the expansion of the national airport system. Under the PFC Act, the proceeds from PFCs are required to be used to finance eligible airport-related projects that serve or enhance safety, capacity or security of the national air transportation system, reduce noise from an airport that is part of such system or furnish opportunities for enhanced competition between or among air carriers.

The Port District initially received approval from the FAA to impose a $3.00 PFC at SDIA. The approval for the PFC was transferred by the FAA to the Authority, effective January 1, 2003. On May 20, 2003, the FAA approved the Authority's PFC application to increase the charge per enplaned passenger from $3.00 to $4.50 beginning August 1, 2003. The Authority has received approval from the FAA, pursuant to ten separate applications (five of which were later amended by the Authority, with the approval of the FAA), to collect, and use, a PFC on each enplaning passenger at SDIA totaling approximately $1.549 billion. The Authority has closed seven of the PFC Applications; these applications having been fully funded and the projects they financed having been completed. As of March 31, 2017, there were three active PFC Applications. The Authority also is in the process of filing a new application with the FAA to collect approximately $50 million of additional PFCs.

As of March 31, 2017, the Authority had recorded the receipt of approximately $652 million of PFCs (consisting of $639 million of PFCs collections and $13 million of interest). As of March 31, 2017, the Authority had disbursed a total of $582 million of PFCs on approved capital projects expenditures.

The following table sets forth a summary of the Authority's approved PFC applications through March 31, 2017.

TABLE 21
San Diego County Regional Airport Authority
Approved PFC Applications

PFC Applications	Approval Date	Amended Approval Amount[1,2]
1-5, 7 and 11[3,4]	Various	$ 359,095,656
8	2010	1,118,567,229
10 [5]	2012	27,835,280
12	2016	43,795,768
Total		$1,549,293,933

[1] Includes the amount of PFCs the FAA has authorized the Authority to collect and use at SDIA.
[2] Authorization to collect PFCs under all of the applications and amendments expires on November 1, 2039, however, such authorization to collect PFCs could expire earlier if the total authorized amount is collected prior to November 1, 2039.
[3] The Authority withdrew PFC Application #6.
[4] The Authority has closed PFC Applications 1-5, 7 and 11; these applications having been fully funded and the projects they financed having been completed
[5] PFC Application #9 was skipped due to internal FAA system processing.
Source: San Diego County Regional Airport Authority

The PFCs collected pursuant to the PFC Applications have been and will be used to finance all or a portion of certain capital improvements at SDIA including, among other things, the Authority's noise mitigation program, and projects associated with the Green Build Program and the Capital Program. In addition to using the PFCs on a pay-as-you-go basis to fund projects associated with the Capital Program, the Authority expects to use a portion of the PFCs to pay a portion of the debt service on the PFC Eligible Bonds (which includes a portion of the Senior Series 2013 Bonds and a portion of the Subordinate Series 2010 Bonds). See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Use of PFCs to Pay Debt Service."

The following table sets forth the amount of PFCs received by the Authority in Fiscal Years 2012 through 2016.

TABLE 22
San Diego County Regional Airport Authority
Annual Receipt of PFCs[1]

Fiscal Year	PFCs Collected
2012	$34,639,244
2013	35,437,453
2014	35,769,515
2015	38,517,355
2016	40,257,993

[1] The information in this table is presented on an accrual basis. Does not include interest earnings.
Source: San Diego County Regional Airport Authority

Airport Improvement Program Grants. The Authority receives federal grants from the FAA each year. The Airport and Airway Improvement Act of 1982, as amended, created the Airport Improvement Program ("AIP"), which is administered by the FAA and funded by the Airport and Airway Trust Fund. Under the AIP, the FAA awards grant moneys to airports around the country for capital improvement projects. The Airport and Airway Trust Fund is financed by federal aviation user taxes. Grants are available to airport operators in the form of "entitlement" funds and "discretionary" funds. Entitlement funds are apportioned annually based upon the number of enplaned passengers and the aggregate landed weight of all-cargo aircraft; and discretionary funds are available at the discretion of the FAA based upon a national priority system. Before federal approval of any AIP grants can be given, eligible airports must provide written assurances that they will comply with a variety of statutorily specified conditions. See "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources—Availability of Federal Grants."

The Authority anticipates receiving both FAA entitlement and discretionary grants to fund a portion of the costs of certain capital projects in the Capital Program. In Fiscal Year 2016, the Authority received approximately $3.5 million in entitlement grants. The Authority did not receive any discretionary grants in Fiscal Year 2016.

As described above, the FAA has granted the Authority approval to collect PFCs at SDIA. In accordance with the PFC Act and the PFC Regulations, since the Authority imposes a $4.50 PFC, the amount of AIP entitlement grants which the Authority is permitted to receive annually may be reduced up to 75%.

The Authority's financial plan for funding the Capital Program assumes that AIP entitlement and discretionary grant funds will be available to fund the grant eligible portion of certain projects. In the event the Authority does not receive AIP grants in the amounts expected, it would need to use alternative sources of funding for such projects, including the issuance of Additional Senior Bonds and/or Additional Subordinate Obligations. See "CERTAIN INVESTMENT CONSIDERATIONS—Unavailability of, or Delay in, Anticipated Funding Sources."

Third-Party Financed Projects

In addition to projects financed by the Authority, certain projects at SDIA are expected to be financed and constructed by outside third-parties, including the North Cargo Facility. The Authority is currently in the process of selecting a developer to design, build, finance, operate and maintain the North Cargo Facility, consisting of new air cargo facilities and an aircraft ramp on the northside of the Airport The Authority completed a Request for Qualifications process in 2016 to seek qualified developers to design, build, finance, operate and maintain the North Cargo Facility. Three firms were identified as most qualified and selected to advance to a subsequent Request for Proposal ("RFP") process. The RFP process is currently underway, and the Authority expects to select one firm to complete the North Cargo Facility in late-summer 2017. Although the specific details of the project will not be known until completion of the RFP process, the North Cargo Facility is anticipated to include approximately 100,000 square feet of cargo processing facilities located on 14.5 acres of land. In addition to the cargo processing facility, approximately 20 acres of aircraft ramp will be constructed to accommodate aircraft utilizing the facility. The North Cargo Facility is anticipated to be completed in late 2018. As part of their response to the RFP, the proposers are asked to described their source of funding for the project. Such funding could consist of Special Facilities Obligations issued by the Authority. See "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE—Other Obligations—Special Facility Obligations." Any Special Facilities Obligations issued by the Authority to finance costs of the North Cargo Facility would not, in any way, be secured by, or payable from, Revenues.

Airport Land Use Commission

State law requires counties in which there is a commercial and/or a general aviation airport to have an airport land use commission. Pursuant to the Act, the Authority is vested with responsibility, among other things, to serve as the region's Airport Land Use Commission ("ALUC"). The purpose of the ALUC is to protect public health, safety and welfare by ensuring the orderly development of land in the vicinity of airports and the adoption of land use measures that minimize the public's exposure to excessive noise and safety hazards within areas around public airports, to the extent that these areas are not already devoted to incompatible uses. The ALUC prepares and adopts Airport Land Use Compatibility Plans ("ALUCPs") and reviews certain local agency land use actions and airport plans for consistency with the compatibility plans.

The ALUCP contains compatibility criteria and ALUC review procedures for identified Airport Influence Areas ("AIA") and addresses land use compatibility around airports in terms of noise, overflight, safety and airspace protection for each public-use and military airport in the County. The ALUCP is not a plan for airport development and does not require any changes to existing land uses. State law requires future land use near airports to be consistent with compatibility criteria included in an ALUCP. Land use actions including adoption or amendment of general plans, specific plans, zoning ordinances and building regulations affecting land within an AIA must be referred to the ALUC for review. Referral and review by the ALUC of other local actions, primarily individual development projects, is required in some instances, but voluntary in others.

In recent years the Authority has adopted ALUCPs for two Marine Corps airports (Camp Pendleton and Miramar) and five urban general aviation airports (Brown Field, Gillespie Field, McClellan-Palomar Airport, Montgomery Field and Oceanside Municipal Airport). The ALUCP for Camp Pendleton was adopted in June 2008, the ALUCP for Miramar was adopted in October 2008, and the ALUCP for Brown Field, Gillespie Field, McClellan-Palomar Airport, Montgomery Field and Oceanside Municipal Airport were all adopted in early 2010. The ALUCP for the Airport was adopted by the Board in April 2014.

FINANCIAL FEASIBILITY REPORT

General

The Authority has retained Unison Consulting, Inc., which is recognized as an expert in its field, to prepare a report in connection with the Subordinate Series 2017 Bonds. The Financial Feasibility Report is included as Appendix A hereto, with the Feasibility Consultant's consent. The information regarding the analyses and conclusions contained in the Financial Feasibility Report is included in the Official Statement in reliance upon the expertise of the Feasibility Consultant.

The financial forecasts in the Financial Feasibility Report are based on certain information and assumptions that were provided by, or reviewed and agreed to by, the Authority's management. In the opinion of the Feasibility Consultant, these assumptions provide a reasonable basis for the forecasts.

The Financial Feasibility Report should be read in its entirety regarding all of the assumptions used to prepare the forecasts made therein. No assurances can be given that these or any of the other assumptions contained in the Financial Feasibility Report will occur. As noted in the Financial Feasibility Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material. See also "INTRODUCTION—Forward-Looking Statements," and "CERTAIN INVESTMENT CONSIDERATIONS—Financial Feasibility Report."

Projected Net Revenues and Debt Service Coverage

The following table sets forth the projected Net Revenues, debt service requirements for the Senior Bonds and the Subordinate Obligations and the coverage of such debt service requirements based upon the Net Revenues, as forecast by the Feasibility Consultant, for the Fiscal Years 2018 through 2023.

The debt service numbers in the following table exclude the debt service on the Senior Bonds and the Subordinate Obligations projected to be paid with PFCs and Federal Direct Payments (i.e. the BAB subsidy). For a discussion of the calculation of debt service on the Senior Bonds and the Subordinate Obligations paid with PFCs, see "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Use of PFCs to Pay Debt Service."

The forecasted financial information in the following table was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to forecasted financial information, but, in the view of the Authority's management, was prepared on a reasonable basis, to reflect the best currently available estimates and judgments and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the Authority. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this Official Statement are cautioned not to place undue reliance on the forecasted financial information.

Neither the Authority's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted financial information contained herein, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted financial information.

The assumptions and estimates underlying the forecasted financial information are inherently uncertain and, though considered reasonable by the management of the Authority as of the date of this Official Statement, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the forecasted financial information, including, among others, the risks and uncertainties described under "CERTAIN INVESTMENT CONSIDERATIONS" below. Accordingly, there can be no assurance that the forecasted results are indicative of the future performance of the Authority or SDIA or that actual results will not be materially higher or lower than those contained in the forecasted financial information. Inclusion of the forecasted financial information in this Official Statement should not be regarded as a representation by any person that the results contained in the forecasted financial information will be achieved.

TABLE 23
San Diego County Regional Airport Authority
Projected Debt Service Coverage

Fiscal Year	Net Revenues	Senior Debt Service Requirements[1]	Senior Debt Service Coverage	Subordinate Debt Service Requirements[2,3]	Total Debt Service Coverage[4]
2018	$ 96,283,760	$10,956,268	8.79x	$40,171,298	1.88x
2019	115,350,800	11,442,337	10.08	41,753,204	2.17
2020	144,243,975	39,756,709	3.63	42,889,469	1.75
2021	147,831,318	39,755,081	3.72	42,897,951	1.79
2022	153,549,793	39,748,884	3.86	42,911,680	1.86
2023	156,754,480	39,756,291	3.94	42,913,568	1.90

[1] Includes debt service on the Senior Series 2013 Bonds and the Additional Senior Bonds expected to be issued in 2018 (the "Senior Series 2018 Bonds"). For purposes of the table only, the Senior Series 2018 Bonds are assumed to be issued in the aggregate principal amount of $[410,000,000], bearing interest at a rate of [4.9]% per annum. The Senior Debt Service Requirement numbers exclude (a) the debt service on the Senior Series 2013 Bonds which the Authority expects to pay with PFCs, [and (b) the debt service on the Senior Series 2018 Bonds which the Authority expects to pay with [capitalized interest and PFCs].

[2] Includes debt service on the Subordinate Series 2017 Bonds, the Subordinate Series 2010 Bonds [and the Subordinate Revolving Obligations]. For purposes of the table only, the Subordinate Series 2017A Bonds are assumed to be issued in the aggregate principal amount of $[____], bearing interest at a rate of [___]% per annum, and the Subordinate Series 2017B Bonds are assumed to be issued in the aggregate principal amount of $[____], bearing interest at a rate of [___]% per annum. Additionally, for purposes of the table only, (i) $[15,849,000] aggregate principal amount of the tax-exempt Subordinate Revolving Obligations are assumed to amortize over a [__] year period at an interest rate of [___]%, and (ii) $[10,599,000] aggregate principal amount of the taxable Subordinate Revolving Obligations are assumed to amortize over a [__] year period at an interest rate of [___]%.

[3] The Subordinate Debt Service Requirement numbers exclude (a) the debt service on the Subordinate Series 2010 Bonds which the Authority expects to pay with PFCs and Federal Direct Payments (i.e. BAB subsidy), and (b) the debt service on the Subordinate Series 2017 Bonds which the Authority expects to pay with. capitalized interest.

[4] Calculated by dividing Net Revenues by the sum of Senior Debt Service Requirements and Subordinate Debt Service Requirements.

Source: Unison Consulting, Inc.

AIRPORT ENVIRONMENTAL MATTERS

There are several significant environmental matters which have direct and indirect impacts on the Authority and SDIA, some of which are described below. These include aircraft noise reduction, clean air requirements and hazardous substance cleanup. SDIA is heavily regulated, in part due to its proximity to San Diego Bay. The Authority holds numerous regulatory permits, including permits for storm water, hazardous materials, industrial waste, landfill remediation and wildlife.

Master Plan Environmental Impact Report and Environmental Assessment

All development at SDIA is subject to the requirements for environmental studies and appropriate clearances under the California Environmental Quality Act ("CEQA") and, where federal funding or other federal actions are involved, to the requirements of the National Environmental Protection Act ("NEPA").

An Environmental Impact Report under CEQA was prepared for the Master Plan (the "Master Plan EIR"). The Master Plan EIR was certified as complete by the Authority in May 2008. As required by statute, the Master Plan EIR was made available for public review prior to the adoption of the Master Plan. No legal challenge to the Master Plan EIR was filed, and the statutory time for making such a challenge has elapsed.

An Environmental Assessment for the Master Plan Near Term Improvements (the "Master Plan EA") under NEPA was prepared by the Authority in April 2009. The Master Plan EA was submitted to the FAA in connection with certain projects set forth in the Master Plan, including, among others, the Terminal 2 West Parking Plaza and the new FIS facility. The FAA issued a Finding of No Significant Impact on April 20, 2009. The Master Plan EA examined numerous environmental impact categories, including, among others, noise, air quality, water quality, historic, architectural and cultural resources, fish, wildlife and plants, and construction impacts and cumulative impacts. In the Master Plan EA, the Authority set forth its plans for mitigating any impacts on the environment that may arise in connection with the construction of the projects identified in the Master Plan EA. No legal challenge to the Master Plan EA was filed, and the statutory time for making such a challenge has elapsed.

In January 2017, the Authority began the process of preparing an Environmental Impact Report with respect to the ADP. The Authority expects to complete this process before the end of 2019.

Airport Noise

Airport Noise and Capacity Act of 1990. In 1990, Congress adopted the Airport Noise and Capacity Act of 1990 (the "ANCA"), which provided, among other things, for a phase-out of Stage 2 aircraft by December 31, 1999, and which also limited the scope of an airport operator's regulatory discretion for adopting new aircraft operational restrictions for noise purposes. The FAA subsequently adopted regulations implementing ANCA under Part 161 of the Federal Aviation Regulations ("Part 161"). From 1990 forward, airport proprietors considering the adoption of restrictions or prohibitions on the operation of Stage 2 and Stage 3 aircraft are required to conduct studies which detail the economic costs and benefits of proposed restrictions, as well as publish proposed restrictions and provide notice to potentially affected airlines and conduct any necessary environmental analysis, prior to enacting restrictions on the operation of Stage 2 or Stage 3 aircraft. Proposed restrictions on the operation of Stage 3 aircraft adopted after 1990 also require affirmative approval of the FAA under defined statutory criteria before they may legally be implemented. ANCA and Part 161 make the adoption of many traditional aircraft operating restrictions by local airport proprietors on the operation of Stage 3 aircraft infeasible without the concurrence of the FAA, the air carriers or other operators affected by the restrictions. Pursuant to Authority regulations, the Authority is required to prohibit the operation at SDIA of any air carrier commercial aircraft not complying with Stage 3 noise levels. Aircraft noise reduction is a significant federal and local issue which may require substantial capital investments by the airline industry from time to time to meet applicable standards.

Additionally there are direct restrictions on operations at SDIA, primarily relating to noise abatement. The Code of the Authority prohibits departures from SDIA between 11:30 p.m. and 6:30 a.m. (the "Curfew"). No airline may schedule or advertise for a departure between 11:15 p.m. and 6:15 a.m.

These restrictions are subject only to limited exceptions including emergency and mercy flights. Landings at SDIA are not prohibited during the Curfew.

California Noise Standards. SDIA operates under a variance pursuant to the California Noise Standards (CCR Title 21, Division 2.5, Subchapter 6). The California Noise Standards identify an exterior 65 decibel ("dB") Community Noise Equivalent Level ("CNEL") contour at an airport as the "Noise Impact Area." Within the Noise Impact Area, the airport proprietor is required to ensure that all land uses are compatible with the California Noise Standards, or the airport proprietor must secure variances from the California Department of Transportation, Division of Aeronautics ("Caltrans"), under the California Noise Standards until full compatibility is accomplished. Under California Noise Standards, residential land uses may be deemed compatible through land acquisition, sound insulation sufficient to achieve an interior noise level of 45 dB CNEL, or by obtaining an avigation easement for the incompatible land use. To obtain a variance, an airport must demonstrate to the State of California that it is making good faith efforts to achieve compliance with the state noise standards.

The Authority's current variance was effective May 5, 2012, and expired on May 4, 2015. The Authority applied for a new variance on April 9, 2015 and is awaiting Caltrans' response. The Authority continues to operate under the current variance. The granting of a variance requires the Authority to continue implementation of its residential sound attenuation program during the term of the variance, among other requirements.

Residential Sound Attenuation Program. In 1997, the Port District initiated a residential sound attenuation program (the "RSAP") with respect to eligible residences surrounding SDIA that are located within the approved 65 CNEL contour. In connection with the renewal of its noise variance in 2001, the Port District agreed to enhance its then current RSAP. The Authority's current residential sound insulation program (the "RSIP" or the "Quieter Home Program") is an ongoing program that provides acoustical insulation to all eligible single- and multi-family dwellings located in SDIA's noise impact area. The Authority mainly uses AIP grant revenues to pay for the RSIP. To date, the RSIP has sound-attenuated over 3,400 residences. From its inception to April 30, 2017, the Authority has spent approximately $159.4 million ($123.8 million of which has been paid with AIP grant revenues) on RSIP.

Fuel Storage Tanks

Underground fuel storage tanks are present on the property occupied by the Rental Car Center. The On-Airport Rental Car Companies have agreed in the Rental Car Center Lease Agreements to pay for remediation costs associated with any leakage of the underground fuel storage tanks.

The Authority owns the above-ground tanks that store airline fuel, which is transported to the airfield via underground fuel lines. The fuel lines that supply fuel to the storage tanks are owned by a third party. Airlines operating at SDIA that use these storage tanks and the fuel lines to the airfield have entered into a lease agreement pursuant to which they are required to indemnify the Authority against any liability associated therewith.

Air Quality and Carbon Management Plan

In May 2008, the Authority entered into a Memorandum of Understanding (the "MOU") with the Attorney General of the State regarding the Master Plan. Pursuant to the MOU, the Authority agreed to certain specific measures to reduce the amount of greenhouse gas emissions from aviation and other operations conducted at SDIA. Some of the specific measures the Authority agreed to take in the MOU include, among others, providing landside power and preconditioned air to the gates at the terminals and in the cargo facilities, replacing vehicles operating at SDIA with electric or alternative fuel vehicles, and using "green" materials for the construction of the projects including in the Master Plan. In December 2009, the Board approved the San Diego County Regional Airport Authority Air Quality Management Plan (the "Air Quality Management Plan"), which sets forth the Authority's specific plan for implementing the provisions of the MOU. Many of the elements of the Air Quality Management Plan have been incorporated into the Capital Program. Future improvements at SDIA also will need to incorporate the provisions of the Air Quality Management Plan.

The Board adopted a Ground Transportation Vehicle Conversion Incentive-Based Program (the "Incentive Program") in accordance with the terms and conditions of the MOU. For various eligible ground transportation providers at SDIA, the Incentive Program provides incentive payments, reduced permit fees, and/or reduced trip fees for Alternative Fuel Vehicles ("AFVs") and Clean Air Vehicles ("CAVs") through Fiscal Year 2021, but increased user fees for non-AFVs and non-CAVs beginning in Fiscal Year 2015. The Authority estimates that the Incentive Program will cost approximately $500,000 in Fiscal Year 2018.

In 2016, the California legislature passed Senate Bill 32 that codifies the State's commitment to reduce greenhouse gas emissions 40% below 1990 levels by 2030. Two new policy documents, the Sustainable Freight Action Plan and the Mobile Source Strategy, were recently released by the California Air Resources Board ("CARB") to assist with achieving this carbon reduction goal. These documents identify emissions from airport shuttles and ground support equipment as priority action areas. As such, the Authority has been proactively engaging CARB on the potential structure of any incentives or rules that may be developed as a result. If new regulations are adopted by CARB, it will likely require the Authority and the other users of the Airport to replace their shuttles and equipment with zero-emission technologies at the end of their useful life.

Additionally, in 2016, the Authority worked with the San Diego Air Pollution Control District to include the projects in the Capital Program and certain other projects that may be undertaken at the Airport (including the ADP) over the next 20 years into the region's updated State Implementation Plan ("SIP") for ozone. The SIP outlines the measures that will be implemented in the region to attain and maintain air quality standards as required by the federal Clean Air Act and will be used by the Authority to demonstrate general conformity for future improvements at SDIA

See "CERTAIN INVESTMENT CONSIDERATIONS—Climate Change Issues."

Storm Water Management

Under the Federal Clean Water Act and Environmental Protection Agency regulations, the Authority is required to obtain certain storm water runoff discharge permits. The Authority has received permits from the San Diego Regional Water Quality Control Board (the "SDRWQCB") and the State Water Resources Control Board. The Authority is currently in compliance with all of its storm water runoff discharge permits.

Certain portions of the SDIA, fueling, maintenance and wash areas, are regulated under California's Industrial General Permit, adopted on July 1, 2015 by the State Water Resources Control Board. As part of the new permit, industrial facilities' storm water discharges need to be below certain "numeric action limits" for water quality parameters. In July 2016, SDIA was categorized as a Level 1 facility, and the Authority developed an exceedance response action plan to identify additional best management practices that will be implemented to reduce concentrations of heavy metals in storm water runoff. Similarly, the Authority's compliance with the Municipal Separate Storm Sewer System (MS4) permit is focused on reducing the frequency of heavy metals exceedances during wet weather events. As such, the Authority has expanded its own requirements to prioritize storm water infiltration and/or capture and reuse systems within new development projects, such as the Terminal 2 Parking Plaza and the new FIS facility.

On June 18, 2014, the SDRWQCB issued an Investigative Order directing the Authority, General Dynamics and the Port District to submit technical reports pertaining to an investigation of sediment chemistry in the Laurel Hawthorn Central Embayment in San Diego Bay. The Investigative Order alleged that an unauthorized discharge of wastes occurred as evidenced by the presence of polychlorinated biphenyl, total petroleum hydrocarbons, volatile organic compounds, polycyclic aromatic hydrocarbons, metals and pesticides in the bay sediments. Although the Authority believes it is not legally responsible for any harmful discharges at the identified location, it agreed with the other parties to participate in and share in the funding of the investigation and study. The Final Sediment Chemistry Report was provided to the SDRWQCB and that investigation was completed. In November 2016, the SDRWQCB indicated it will likely issue an additional Investigative Order for the purpose of additional remedial investigation in the Laurel Hawthorn Central Embayment. As of the date of this Official Statement, the Authority cannot predict if it will be found liable for the costs of any future remediation.

In December 2016, the U.S. Department of the Navy released a draft Record of Decision for a Final Remedial Action Plan in order to cleanup chemically-impacted sediments in the former Naval Training Center San Diego Boat Channel immediately adjacent to SDIA. In a letter to the Authority dated December 28, 2016, the Department of the Navy alleged that the Authority was a responsible party under the federal Comprehensive Environmental Response, Compensation, and Liability Act due to past contributions of metals and other contaminants into the Boat Channel. The Authority cannot predict whether or to what extent it may be liable for the costs of any future remediation. However, the Department of the Navy has been initially receptive to the Authority only providing in-kind contributions, if needed, to any future remediation actions.

CERTAIN INVESTMENT CONSIDERATIONS

Prospective purchasers of the Subordinate Series 2017 Bonds are urged to read this Official Statement, including all Appendices, in its entirety. The following information should be considered by prospective investors, in addition to the other matters set forth in this Official Statement in evaluating the Subordinate Series 2017 Bonds. However, it does not purport to be a comprehensive or exhaustive discussion of risks or other considerations which may be relevant to an investment in the Subordinate Series 2017 Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such considerations. There can be no assurance that other risk factors not discussed herein will not become material in the future.

Subordinate Series 2017 Bonds Are Special Obligations

The Subordinate Series 2017 Bonds are special obligations of the Authority, payable solely from and secured by a pledge of (a) Subordinate Net Revenues, which include certain income and revenue received by the Authority from the operation of the Airport System less all amounts that are required to pay the Operation and Maintenance Expenses of the Airport System and less all amounts necessary to pay debt service on and fund the reserves for the Senior Bonds; and (b) certain funds and accounts held by the Subordinate Trustee under the Subordinate Indenture. None of the properties of the Airport System are subject to any mortgage or other lien for the benefit of the owners of the Subordinate Series 2017 Bonds, and neither the full faith and credit nor the taxing power of the Authority, the City, the County, the State or any political subdivision or agency of the State is pledged to the payment of the principal of or interest on the Subordinate Series 2017 Bonds.

Factors Affecting the Airline Industry

General. Key factors that affect airline traffic at SDIA and the financial condition of the airlines, and, therefore, the amount of Subordinate Net Revenues available for payment of the Subordinate Series 2017 Bonds, include: local, regional, national and international economic and political conditions; international hostilities; world health concerns; aviation security concerns; airline service and routes; airline airfares and competition; airline industry economics, including labor relations and costs; availability and price of aviation fuel; regional, national and international environmental regulations; airline consolidation and mergers; capacity of the national air traffic control and airport systems; capacity of SDIA; competition from other airports; and business travel substitutes, including teleconferencing, videoconferencing and web-casting.

The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs and varying demand. Passenger and cargo volumes are highly sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events such as the terrorist attacks of September 11, 2001 and the economic recession that occurred between 2008 and 2009. Other business decisions by airlines, such as the reduction, or elimination, of service to unprofitable markets, increasing the use of smaller, regional jets and changing hubbing strategies have also affected air traffic at SDIA and could have a more pronounced effect in the future.

In addition to revenues received from the airlines, the Authority derives a substantial portion of its revenues from concessionaires including parking operations, food and beverage concessions, retail concessions, car rental companies, and others. See "AGREEMENTS FOR THE USE OF AIRPORT FACILITIES" and "FINANCIAL INFORMATION." Declines in passenger traffic at SDIA may adversely affect the commercial operations of many of these concessionaires. While the Authority's agreements with concessionaires require the concessionaires to pay a minimum annual guarantee, severe financial difficulties could lead to a failure by a concessionaire to make the required payments or could lead to the cessation of operations of such concessionaire.

Many of these factors are outside the Authority's control. Changes in demand, decreases in aviation activity and their potential effect on enplaned passenger traffic at SDIA may result in reduced Revenues and PFCs. Following are just a few of the factors affecting the airline industry including, regional and national economic conditions, threats of terrorism, costs of aviation fuel, and airline concentration. See also "—Aviation Security Concerns" below for additional discussion on the costs of security.

Economic Conditions. Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. See "APPENDIX A—FINANCIAL FEASIBILITY REPORT."

Threats of Terrorism. Recent and ongoing terrorist attacks and threats of terrorism have had, and may continue to have, a negative impact on air travel. According to news reports, terrorist attacks over the last year in London, Nice, Munich, Paris, Brussels and Istanbul, among other cities, have had a negative impact on tourists traveling to, and throughout, Europe and, thereby, a negative effect on airline revenues. The Authority cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001 or the terrorist attacks in Nice, Munich, Paris, Brussels and Istanbul, the likelihood of future air transportation disruptions or the impact on the Authority or the airlines operating at SDIA from such incidents or disruptions.

Cost of Aviation Fuel. Airline earnings are significantly affected by changes in the price of aviation fuel. According to Airlines for America, fuel, along with labor costs, is one of the largest cost components of airline operations, and continues to be an important and uncertain determinate of an air carrier's operating economics. There has been no shortage of aviation fuel since the "fuel crisis" of 1974, but any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world (particularly in the oil-producing nations in the Middle East and North Africa), Organization of Petroleum Exporting Countries policy, the growth of economies around the world, the levels of inventory carried by industries, the amounts of reserves maintained by governments, disruptions to production and refining facilities and weather. According to Airlines for America, for the first quarter of 2017, jet fuel accounted for approximately [___]% of the airline industry's operating expenses. The price of aviation fuel rose to an all-time high of approximately $3.75 per gallon in July 2008. According to the U.S. Bureau of Transportation Statistics, the price of aviation fuel averaged approximately $[___] per gallon for the first three months of 2017. Significant and prolonged increases in the cost of aviation fuel are likely to have an adverse impact on air transportation industry profitability and hamper the recovery plans and cost-cutting efforts of certain airlines.

Airline Concentration; Effect of Airline Industry Consolidation. The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving SDIA could consolidate operations through acquisition, merger, alliances and code share sales strategies. Examples of airlines mergers occurring over the last several years include: (a) in 2008, Delta acquired Northwest and its affiliated Air Carriers, Mesaba, Pinnacle (now known as Endeavor) and Compass; (b) on October 1, 2010, United Airlines and Continental Airlines merged and United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012; (c) on May 2, 2011, Southwest acquired Air Tran, and Southwest and Air Tran began operating as a single airline (under the Southwest brand) in March 2012; (d) on December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc., and American and US Airways began operating as a single airline (under the American brand) in October 2015; and (e) in December 2016, Alaska Air Group acquired Virgin America Inc. To date none of these mergers have had any material impact on airline service or enplanements at SDIA. While these prior mergers have not had any material impact on airline service or enplanements at SDIA or on Revenues, future mergers or alliances among airlines operating at SDIA may result in fewer flights or decreases in gate utilization by one or more airlines. Such decreases could result in reduced Revenues, reduced PFC collections and/or increased costs for the other airlines serving SDIA.

Bankruptcy by Airlines and Concessionaires

A bankruptcy of an airline or of another tenant or tenants operating from SDIA could result in delays or reductions in payments on the Subordinate Series 2017 Bonds.

Since December 2000, several airlines that currently operate at SDIA, including, among others, United Airlines, Delta Air Lines, American Airlines and Frontier Airlines, have filed for and reorganized under bankruptcy protection. Additional bankruptcy filings may occur in the future. The bankruptcy of an airline with significant operations at SDIA could have a material adverse effect on operations of SDIA, Revenues, and the cost to the other airlines operating at SDIA.

In the event of a bankruptcy by an airline or other tenant operating from SDIA, the automatic stay provisions of the United States Bankruptcy Code (the "Bankruptcy Code") could prevent (unless approval of the bankruptcy court was obtained) any action to collect any amount owing by an airline or other tenant to the Authority or any action to enforce any obligation of an airline or other tenant to the Authority. With the authorization of the bankruptcy court, an airline or other tenant may be able to repudiate some or all of its agreements with the Authority and stop performing its obligations (including payment obligations) under such agreements. Such a repudiation also could excuse the other parties to such agreements from performing any of their obligations. An airline or other tenant may be able, without the consent and over the objection of the Authority to alter the terms, including the payment terms, of its agreements with the Authority, as long as the bankruptcy court determines that the alterations are fair and equitable. In addition, with the authorization of the bankruptcy court, an airline or other tenant may be able to assign its rights and obligations under any of its agreements with the Authority to another entity, despite any contractual provisions prohibiting such an assignment. The Subordinate Trustee and the holders of the Subordinate Series 2017 Bonds may be required to return to an airline or other tenant as preferential transfers any money that was used to make payments on the Subordinate Series 2017 Bonds and that was received by the Authority or the Subordinate Trustee from such airline or other tenant during the 90 days immediately preceding the filing of the bankruptcy petition. Claims by the Authority under any lease with an airline or agreement with another tenant may be subject to limitations.

As described under "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Passenger Facility Charges," the airlines serving SDIA also are required to pay to the Authority PFCs collected from enplaned passengers at SDIA. The PFC Act provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds in their respective financial statements. However, the airlines, provided they are not under bankruptcy protection, are permitted to commingle PFC collections with other revenues. The bankruptcy courts have not fully addressed such trust arrangements. Therefore, the Authority cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by one of the airlines operating at SDIA. The PFC Act requires an airline in bankruptcy protection to segregate PFC collections from all of its other revenues. It is possible that the Authority could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Authority cannot predict whether an airline operating at SDIA that files for bankruptcy protection would have properly accounted for the PFCs owed to the Authority or whether the bankruptcy estate would have sufficient moneys to pay the Authority in full for the PFCs owed by such airline. PFCs are not pledged to the repayment of any Senior Bonds or Subordinate Obligations (including the Subordinate Series 2017 Bonds), however, the Authority has in the past and expects to in the future use PFCs to pay a portion of the debt service on the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Use of PFCs to Pay Debt Service."

Each airline operating at SDIA is required to provide the Authority with a letter of credit equal to approximately three months of estimated obligations payable by the airline to the Authority. In the event of bankruptcy of an airline, the Authority would be able to draw on any such letter of credit to pay obligations owed by the bankrupt airline. Payments under any letter of credit may not be sufficient to pay the Authority all amounts owned by the bankrupt airline.

There may be delays in payments to the Authority and resulting delays in the payment of principal of and interest on the Subordinate Series 2017 Bonds while the court considers any of the issues described above. There may be other possible effects of a bankruptcy of an airline or other tenant that could result in delays or reductions in payments on the Subordinate Series 2017 Bonds. Regardless of any specific adverse determinations in an airline or other tenant bankruptcy proceeding, the fact of an airline or other tenant bankruptcy proceeding could have an adverse effect on the liquidity and value of the Subordinate Series 2017 Bonds.

Southwest Airlines – SDIA's Largest Carrier

In Fiscal Year 2016, Southwest Airlines accounted for approximately 37.9% of the total enplaned passengers at SDIA. Where an airport has a sizable market share accounted for by a single airline, there is risk associated with the potential for that airline to reduce or discontinue service. However, in the case of Southwest Airlines at SDIA, this risk is mitigated by the following factors: (a) Southwest Airlines is a consistently profitable airline; and (b) the development of service by Southwest Airlines at SDIA has demonstrated a large O&D passenger demand that could be served by other airlines at SDIA in the unlikely event Southwest Airlines were to reduce service at SDIA. Nevertheless, the Authority cannot predict what effect a reduction or discontinuation of service by Southwest would have on the Authority or Revenues, or whether another airline would absorb the service provided by Southwest.

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities (such as those that have occurred and continue to occur in the Middle East), terrorist attacks (see "—Factors Affecting the Airline Industry—Threats of Terrorism" above), increased threat levels declared by the Department of Homeland Security and world health concerns such as the Severe Acute Respiratory Syndrome ("SARS") outbreak in 2003, the H1N1 influenza ("swine flu") outbreak in 2009 and 2010 and the Zika virus outbreak that began in South America in 2015 and has spread to certain parts of southern Florida, may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

The Authority cannot predict whether SDIA will be targets of terrorists in the future. Additionally, the Authority cannot predict the effect of any future government-required security measures on passenger activity at SDIA.

Regulations and Restrictions Affecting SDIA

General. The operations of SDIA are affected by a variety of contractual, statutory and regulatory restrictions and limitations including, without limitation, the provisions of the Airline Lease Agreements, the federal acts authorizing the imposition, collection and use of PFCs and extensive federal legislation and regulations applicable to all airports in the United States. In the aftermath of the terrorist attacks of September 11, 2001, SDIA also has been required to implement enhanced security measures mandated by the FAA, the Department of Homeland Security and Airport management.

It is not possible to predict whether future restrictions or limitations on operations at SDIA will be imposed, whether future legislation or regulations will affect anticipated federal funding or PFC collections for capital projects for SDIA, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether such restrictions or legislation or regulations would adversely affect Revenues. See "—Aviation Security Concerns" above.

State Tidelands Trusts

Nearly all of the land on which SDIA's facilities are located is held in trust by the Port District pursuant to tidelands grants from the State. Generally, the use of lands subject to the trust is limited under the terms of the grants to harbor and airport uses and other uses of statewide interest, such as fishing, public recreation and enjoyment of the waterfront. Pursuant to the Act, the Port District has leased the land on which SDIA is located to the Authority until 2069. There also are certain limitations on the use of funds generated from facilities located on this land. However, none of the various restrictions are expected to affect the operations of SDIA or the finances of the Authority. The grants may be subject to amendment or revocation by the State legislature, as grantor of the trust and as representative of the beneficiaries (the people of the State). Under the law, any such amendment or revocation could not impair the accomplishment of trust purposes, or abrogate the existing covenants and agreements between the Port District, as trustee, the Authority, as lessee, and the Authority's bondholders. The Authority does not anticipate that the State will revoke the tidelands grants.

Federal Law Affecting Airport Rates and Charges

In general, federal aviation law requires that airport fees charged to airlines and other aeronautical users be reasonable and that in order to receive federal grant funding, all airport generated revenues must be expended for the capital or operating costs of the airport, the local airport system, or other local facilities owned or operated by the airport owner that are directly and substantially related to air transportation of passengers or property. The Authority is not aware of any formal dispute involving SDIA over any existing rates and charges. The Authority believes that the rates and charges methodology it utilizes and the rates and charges it imposes upon air carriers, foreign air carriers and other aeronautical users are reasonable and consistent with applicable law. However, there can be no assurance that a complaint will not be brought against the Authority in the near-term or in the future, challenging such methodology and the rates and charges established by the Authority, and if a judgment is rendered against the Authority, there can be no assurance that rates and charges paid by aeronautical users of SDIA will not be reduced. An adverse determination in a future challenge could limit the ability of the Authority to charge airlines rates sufficient to meet the rate covenants in the Master Senior Indenture and the Master Subordinate Indenture and could have a material adverse impact on the receipt of Revenues.

Additionally, the policies of the FAA prohibit an airport from making direct or indirect payments that exceed the fair and reasonable value of the respective services and facilities provided to the airport. The Port District provides certain services to the Authority and leases several parcels of land to the Authority. If the FAA were to rule that the Authority's payments to the Port District for the services provided by the Port District and/or for the lease of the several parcels of land to the Authority violate the policies of the FAA, the Authority would be solely responsible for correcting any such violations. If the Authority violates the policies of the FAA, the FAA may withhold payment of AIP grants or rescind the Authority's ability to collect PFCs until the Authority corrects such violation. The Authority is not aware of any challenges by the FAA to the payments being made by the Authority to the Port District.

Restrictions on Airport Facilities and Operations

There are restrictions on the Authority's ability to expand and develop facilities at SDIA. Current conditions at SDIA make the addition of a runway difficult. Obstacles to runway expansion include significant geographic obstructions, major land acquisition requirements, extensive infrastructure impacts, increased noise impacts and community resistance. Geographic obstructions include high terrain to the northeast and southwest of SDIA and manmade obstructions, such as office buildings, to the northeast, east and southeast of SDIA. See "SAN DIEGO INTERNATIONAL AIRPORT—Existing Facilities."

Additionally there are direct restrictions on operations at SDIA, primarily relating to noise abatement. The Code of the Authority prohibits departures from SDIA between 11:30 p.m. and 6:30 a.m. (the "Curfew"). No airline may schedule or advertise for a departure between 11:15 p.m. and 6:15 a.m. These restrictions are subject only to limited exceptions including emergency and mercy flights. Landings at SDIA are not prohibited during the Curfew. See "AIRPORT ENVIRONMENTAL MATTERS—Airport Noise."

These restrictions on facilities and operations may limit the number of passengers and flights which SDIA can accommodate in the future which, in turn, may limit the amount of Revenues the Authority can generate.

Unavailability of, or Delay in, Anticipated Funding Sources

As described herein, the Authority anticipates that funding for the Capital Program has been and will be provided through a combination of proceeds of the Subordinate Series 2017 Bonds, the previously-issued Senior Series 2013 Bonds, the previously-issued Subordinate Series 2010 Bonds, the previously-issued Series 2014 Special Facilities Bonds and Additional Senior Bonds to be issued in 2018, internally generated cash of the Authority, PFC revenues on a pay-as-you-go basis, AIP grants, and other sources. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program" and "APPENDIX A—FINANCIAL FEASIBILITY REPORT" for a description of the financing plan for the Capital Program. In the event that any of such sources are unavailable for any reason, including unavailability of internally generated cash flow; reduction in the amount of PFCs or AIP grants available to the Authority; non-appropriation of, or delay in payment of, federal fund or grants; the inability of the Authority to issue or sell Additional Senior Bonds and/or Additional Subordinate Obligations; or any other reason, the completion of the projects included in the Capital Program could be substantially delayed and financing costs could be higher than projected. There can be no assurances that such circumstances will not materially adversely affect the financial condition or operations of SDIA and the Authority.

Availability of PFCs. The Authority expects to use approximately $88 million of PFCs on a pay-as-you-go basis to finance a portion of the costs of the Capital Program and $779 million of PFCs to pay debt service on PFC Eligible Bonds (a portion of the Senior Series 2013 Bonds and a portion of the Subordinate Series 2010 Bonds) though Fiscal Year 2043. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Use of PFCs to Pay Debt Service."

The amount of PFCs received by the Authority in future years will vary based upon the actual number of PFC-eligible passenger enplanements at SDIA. No assurance can be given that any level of enplanements will be realized. See "—Factors Affecting the Airline Industry" above. Additionally, the FAA may terminate the Authority's ability to impose the PFC, subject to informal and formal procedural safeguards, if (a) PFC revenues are not being used for approved projects in accordance with the FAA's approval, the PFC Act or the PFC Regulations; or (b) the Authority otherwise violates the PFC Act or the PFC Regulations. Its authority to impose the PFC may also be terminated if the Authority violates certain provisions of ANCA and its implementing regulations. The regulations under ANCA also contain procedural safeguards to ensure that the Authority's ability to impose a PFC would not be summarily terminated. No assurance can be given that the Authority's ability to impose the PFC will not be terminated by Congress or the FAA, that the PFC program will not be modified or restricted by Congress or the FAA so as to reduce PFC revenues available to the Authority or that the Authority will not seek to decrease the amount of the PFC to be collected, provided such decrease does not violate the Authority's covenant in the PFC Resolution.

A shortfall in PFC revenues, as a result of the FAA or Congress reducing or terminating the Authority's ability to collect PFCs or as a result of any other actions, may cause the Authority to increase rates and charges at SDIA to meet the debt service requirements on the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds that the Authority plans to pay with PFCs, and/or require the Authority to identify other sources of funding to pay for the costs of the Capital Program projects currently expected to be paid with PFC revenues, including issuing Additional Senior Bonds and/or Additional Subordinate Obligations.

Availability of Federal Funds. See also "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program—Federal Funding," for a discussion of the assumptions with respect to AIP grant funding. Although the Authority considers these assumptions to be reasonable, assumptions are inherently subject to certain uncertainties and contingencies. Actual AIP funding levels and the timing of the receipt of such funds vary and such differences may be material. Funds obligated for the AIP are drawn from the Airport and Airway Trust Fund that is supported by user fees, fuel taxes, and other similar revenue sources that must be authorized and approved by Congress.

If there is a reduction in the amount of AIP grants awarded to the Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues, Additional Senior Bonds or Additional Subordinate Obligations), (ii) result in cancellation of certain Capital Program projects or (iii) extend the timing for completion of certain projects.

Federal Funding; Impact of Federal Sequestration

On February 6, 2012, Congress passed a four-year reauthorization bill for the FAA, the "FAA Modernization and Reform Act of 2012" (the "2012 FAA Reauthorization") which was signed into law on February 14, 2012 by the President. The 2012 FAA Reauthorization had an original expiration date of September 30, 2015. This was the first long-term FAA authorization since the last such authorization expired in 2007. Between 2007 and the 2012 reauthorization, there were 23 short-term extensions of the FAA's authority and a two-week partial shutdown of the FAA in the summer of 2011. Similarly, the 2012 FAA Reauthorization has been extended three times, most recently on July 15, 2016, and now expires on September 30, 2017. The 2012 FAA Reauthorization, and the three extensions, retained the federal cap on Passenger Facility Charges at $4.50 and continued funding for AIP through September 30, 2017. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). There can be no assurance that the FAA will receive spending authority beyond the September 30, 2017 extension. In addition, the AIP could be affected by the automatic across-the-board spending cuts, known as sequestration, described in more detail below. The Authority is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Authority for the Airport, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues, Additional Senior Bonds and/or Additional Subordinate Obligations), (ii) result in decreases to the projects in the Capital Program, or (iii) extend the timing for completion of certain projects. See "DEVELOPMENT OF SAN DIEGO INTERNATIONAL AIRPORT—Funding Sources for Capital Program."

Federal funding received by the Authority and aviation operations could be adversely affected by the implementation of sequestration – a unique budgetary feature first introduced in the Budget Control Act of 2011, which, among other things, reduced spending for most federal programs and reduced subsidy payments to be made to issuers of "direct-pay" bonds, such as Build America Bonds, including the

Subordinate Series 2010C Bonds. As a result of the ongoing sequestration, in 2017, the Authority expects that the subsidy receivable by it on the Subordinate Series 2010C Bonds will be reduced by 6.8% or approximately $340,000.

Sequestration could also adversely affect FAA and TSA budgets, operations and the availability of certain federal grant funds typically received annually by the Authority which may cause the FAA or TSA to implement furloughs of its employees and hiring freezes, including air traffic controllers, and result in flight delays and flight cancellations, implement hiring freezes.

Between Fiscal Years 2013 and 2017, the Authority received, on average, approximately $18.5 million of grant revenues per Fiscal Year from the FAA and the TSA. The Authority is unable to predict future sequestration funding cuts or furloughs or the impact of such actions on the Airport's airline traffic, grant receipts and Revenues. The Authority intends to take any commercially reasonable measures necessary to continue smooth operation of SDIA.

Financial Feasibility Report

The Financial Feasibility Report included as Appendix A to this Official Statement contains certain assumptions and forecasts. The Financial Feasibility Report should be read in its entirety for a discussion of historical and forecasted results of enplanements, operations and debt service coverage and the assumptions and rationale underlying the forecasts. As noted in the Financial Feasibility Report, any forecast is subject to uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized, and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecast and actual results, and those differences may be material.

Accordingly, the projections contained in the Financial Feasibility Report or that may be contained in any future certificate of the Authority or a consultant are not necessarily indicative of future performance, and neither the Feasibility Consultant nor the Authority assumes any responsibility for the failure to meet such projections. In addition, certain assumptions with respect to future business and financing decisions of the Authority are subject to change. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Subordinate Series 2017 Bonds are cautioned not to place undue reliance upon the Financial Feasibility Report or upon any projections or requirements for projections. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the amount of Subordinate Net Revenues, PFCs and federal funds and grants may be materially less than expected and consequently, the ability of the Authority to make timely payment of the principal of and interest on the Subordinate Series 2017 Bonds may be materially adversely affected.

Neither the Authority's independent auditors, nor any other independent accountants have compiled, examined or performed any procedures with respect to the Subordinate Net Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Subordinate Net Revenues forecast, nor have they expressed any opinion or any form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the Subordinate Net Revenues forecast.

Impact of Potential Earthquakes

Although the San Diego area has not experienced any significant damage from seismic activities, the geographical area in which SDIA is located is subject to unpredictable seismic activity. Southern California is characterized by a number of geotechnical conditions which represent potential safety hazards, including expansive soils and areas of potential liquefaction. The San Andreas, Rose Canyon, Elsinore and San Jacinto fault zones are all capable of producing earthquakes in the San Diego area. SDIA has not experienced any significant losses of facilities or services as a result of earthquakes.

The main terminal buildings of SDIA were seismically upgraded in the mid-1990s and comply with applicable building codes. However, SDIA's facilities could sustain extensive damage in a major seismic event, ranging from total destruction of SDIA, to destabilization or liquefaction of the soils, to little or no damage at all. There can be no assurances that damage resulting from an earthquake will not materially adversely affect the financial condition or operations of SDIA or the ability of the Authority to generate Net Revenues and Subordinate Net Revenues in the amounts required by the Senior Indenture and the Subordinate Indenture, as applicable. The Authority does not currently maintain earthquake insurance, but as of April 30, 2017, the Authority had designated $9,412,300 from its net position as an insurance contingency, which could be used in the event of damage to the Airport from an earthquake, among other things.. See "FINANCIAL INFORMATION—Risk Management and Insurance."

The Authority is unable to predict when another earthquake may occur and what impact, if any, it may have on SDIA or the finances of the Authority or whether the Authority will have sufficient resources to rebuild or repair damaged facilities following a major earthquake.

Climate Change Issues

Possible Increased Regulations. [Update to come] Climate change concerns are leading to new laws and regulations at the federal and state levels that could have a material adverse effect on airlines operating at SDIA and also could affect ground operations at airports.

The U.S. Environmental Protection Agency ("EPA") has taken steps towards the regulation of greenhouse gas ("GHG") emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. Regulation by the EPA can be initiated by private parties or by governmental entities other than EPA. In 2007, several states, including California, petitioned EPA to regulate GHGs from aircraft. On July 30, 2008, EPA issued an Advanced Notice of Proposed Rulemaking ("ANPR") relating to GHG emissions and climate change. Part of the ANPR requested comments on whether and how to regulate GHG emissions from aircraft. The final rule, the Mandatory Reporting of Greenhouse Gases Rule (74 FR 56260), requires reporting of GHG data and other relevant information from large stationary sources and electricity and fuel suppliers, but not mobile aircraft. While the EPA has not yet taken any action to regulate GHG emissions from aircraft, regulation may still be forthcoming. On July 5, 2011, the U.S. District Court for the District of Columbia issued an order concluding that the EPA has a mandatory obligation under the Clean Air Act to consider whether the greenhouse gas and black carbon emissions of aircraft engines endanger public health and welfare. The EPA is in the process of determining whether greenhouse gas and black carbon emissions of aircraft engines endanger public health and welfare. The Authority cannot predict what the EPA's findings will be or what effect they will have on the Authority or operations at SDIA.

In addition to these regulatory actions, other laws and regulations limiting GHG emissions have been adopted by a number of states, including California, and have been proposed on the federal level. California passed Assembly Bill 32, the "California Global Warming Solutions Act of 2006," which requires the Statewide level of GHGs to be reduced to 1990 levels by 2020. On October 20, 2011, the

California Air Resources Board ("CARB") made the final adjustments to its implementation of Assembly Bill 32: the "California-Cap-and-Trade Program" (the "Program") which was implemented in January 2012. The Program covers regulated entities emitting 25,000 MtCO2e per year or more and entities in certain listed industries, including major industrial sources, electricity generating facilities, and fuel suppliers. No-covered entities are encouraged to opt-in and voluntarily participate in the Program. It is expected that the Program will result in rising electricity and fuel costs, which may adversely affect the airlines serving SDIA and SDIA operations. See "AIRPORT ENVIRONMENTAL MATTERS—Air Quality Management Plan" for a discussion of the Authority's plans to reduce GHG emissions at SDIA.

The Authority is unable to predict what federal and/or state laws and regulations with respect to GHG emissions will be adopted, or what effects such laws and regulations will have on airlines serving SDIA or on SDIA operations. The effects, however, could be material.

Possible Sea-Level Rise. SDIA is located approximately one-half mile from San Diego Bay, which is located approximately two miles from the Pacific Ocean. The San Diego area, including SDIA, may be exposed to rising sea levels as a result of global warming. In May 2009, the California Climate Change Center released a final paper entitled "The Impacts of Sea-Level Rise on the California Coast" that was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation, and the California Ocean Protection Council. The paper posits that increases in sea level will be a significant impact of climate change over the next century. While noting that impacts are highly site-specific and somewhat speculative, the paper indicated that the San Diego area, including SDIA, were not vulnerable to flooding with a 1.4-meter sea level rise. However, the Authority is unable to predict whether sea-level rise or other impacts of climate change will occur while the Subordinate Series 2017 Bonds are outstanding, and if any such events occur, whether there will be an adverse impact, material or otherwise, on Revenues.

Ability To Meet Rate Covenant

As discussed in "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Subordinate Rate Covenant," the Authority has covenanted in the Master Subordinate Indenture to establish, fix, prescribe and collect rates, tolls, fees, rentals and charges in connection with the Airport System and for services rendered in connection therewith, so that during each Fiscal Year the rate covenant set forth in the Master Subordinate Indenture is met. In addition to Subordinate Net Revenues, the Authority expects to use approximately $30 million of PFCs each Fiscal Year between Fiscal Year 2018 and Fiscal Year 2023 to pay debt service on the PFC Eligible Bonds (the Senior Series 2013 Bonds and the Subordinate Series 2010 Bonds). If PFCs are used to pay principal of and/or interest on the PFC Eligible Bonds, such principal and/or interest is excluded from the calculation of debt service on the PFC Eligible Bonds; thus decreasing debt service and increasing debt service coverage for purposes of the rate covenant under the Master Subordinate Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Use of PFCs to Pay Debt Service." Also see "—Availability of PFCs" above.

If Subordinate Net Revenues (and PFCs expected to be used to pay debt service) were to fall below the levels necessary to meet the rate covenant set forth in the Master Subordinate Indenture, the Master Subordinate Indenture provides for procedures under which the Authority would retain and direct a Consultant to make recommendations as to the revision of the Authority's business operations and its schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Authority in connection with the Airport System, and after receiving such recommendations or giving reasonable opportunity for such recommendations to be made, the Authority is required to take all lawful measures to revise the schedule of rentals, rates, fees and charges as may be necessary to meet the rate covenant. Increasing the schedule of rentals, rates, fees and charges for the use of the Airport System and for services rendered by the Authority in connection with the Airport System is subject to contractual, statutory and regulatory restrictions (see "—Regulations and Restrictions Affecting SDIA" above). Implementation of an increase in the schedule of rentals, rates, fees and charges for the use of SDIA could have a detrimental impact on the operation of SDIA by making the cost of operating at SDIA unattractive to airlines, concessionaires and others in comparison to other airports, or by reducing the operating efficiency of SDIA.

Enforceability of Remedies; Limitation on Remedies

As discussed above under "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS—Events of Default and Remedies; No Acceleration," there is no right to acceleration of payments to bondholders under the Subordinate Indenture, and bondholders may be required to make a separate claim for each semiannual payment not paid. Further, the remedies available to the owners of the Subordinate Series 2017 Bonds upon an Event of Default under the Subordinate Indenture are in many respects dependent upon regulatory and judicial actions that are in many instances subject to discretion and delay. Under existing laws and judicial decisions, the remedies provided for in the Senior Indenture may not be readily available or may be limited. Legal opinions to be delivered concurrently with the delivery of the Subordinate Series 2017 Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Subordinate Series 2017 Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by equitable remedies and proceedings generally.

Potential Limitation of Tax Exemption of Interest on Subordinate Series 2017 Bonds

From time to time, the President of the United States, the United States Congress and/or state legislatures have proposed and could propose in the future, legislation that, if enacted, could cause interest on the Subordinate Series 2017 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Clarifications of the Internal Revenue Code of 1986, as amended, or court decisions may also cause interest on the Subordinate Series 2017 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation. The introduction or enactment of any such legislative proposals or any clarification of the Internal Revenue Code of 1986, as amended, or court decisions may also affect the market price for, or marketability of, the Subordinate Series 2017 Bonds. Prospective purchasers of the Subordinate Series 2017 Bonds should consult their own tax advisors regarding any such pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion. See "TAX MATTERS—Changes in Federal and State Tax Law." Also see "—Federal Funding; Impact of Federal Sequestration" above.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements". When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "intend," "propose," "plan," "expect," and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. See "INTRODUCTION—Forward-Looking Statements."

Any financial projections set forth in this Official Statement were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public

Accountants with respect to the prospective financial information. The Authority's independent auditors have not compiled, examined, or performed any procedures with respect to the prospective financial information contained in this Official Statement, nor have they expressed any opinion or any other form of assurance on such information or its achievability. The Authority's independent auditors have not been consulted in connection with the preparation of any financial projections contained in this Official Statement and the Authority's independent auditors assume no responsibility for its content.

AIRLINE INDUSTRY INFORMATION

Certain of the airlines or their parent corporations operating at SDIA are subject to the information reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, as such are required to file periodic reports, including financial and operational data, with the SEC. All such reports and statements can be inspected and copies obtained at prescribed rates in the Public Reference Room of the SEC at 100 F Street, NE, Room 1580, Washington, DC 20549. The SEC maintains a website at http://www.sec.gov containing reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the DOT. Such reports can be inspected at the following location: Bureau of Transportation Statistics, Research and Innovation Technology Administration, Department of Transportation, 1200 New Jersey Avenue, SE, Washington, DC 20590, and copies of such reports can be obtained from the DOT at prescribed rates.

Airlines owned by foreign governments or foreign corporations operating airlines (unless such foreign airlines have American Depository Receipts registered on a national exchange) are not required to file information with the SEC. Airlines owned by foreign governments, or foreign corporations operating airlines, file limited information only with the DOT.

The Authority undertakes no responsibility for and makes no representations as to the accuracy or completeness of the content of information available from the SEC or the DOT as discussed in the preceding paragraphs, including, but not limited to, updates of such information on the SEC's website or links to other Internet sites accessed through the SEC's website.

See also "CERTAIN INVESTMENT CONSIDERATIONS" for discussions regarding the financial condition of the airlines and the effects of airline bankruptcies on the Authority.

LITIGATION

No Litigation Relating to Subordinate Series 2017 Bonds

There is no litigation now pending or, to the best of the Authority's knowledge, threatened which seeks to restrain or enjoin the sale, issuance or delivery of the Subordinate Series 2017 Bonds or in any way contests the validity of the Subordinate Series 2017 Bonds or any proceedings of the Board taken with respect to the authorization, sale or issuance of the Subordinate Series 2017 Bonds, the pledge or application of any moneys provided for the payment of or security for the Subordinate Series 2017 Bonds, or the use of the proceeds of the Subordinate Series 2017 Bonds.

Litigation Relating to the Authority and SDIA

[There are a number of litigation matters pending against the Authority for incidents at SDIA. These claims and suits are of a nature usually incident to the operation of SDIA and, in the aggregate, in the opinion of Authority management, based upon the advice of the General Counsel to the Authority, will not have a material adverse effect on the Revenues or financial condition of SDIA. It should be noted that a portion of the claims relating to personal injuries and property damage are covered by a comprehensive insurance program maintained by the Authority for SDIA.]

There are no material claims or litigation arising out of or challenging any federal fund or grants held by the Authority to date.

[See also "APPENDIX B—AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015—Note 13. Commitments and Contingencies."]

TAX MATTERS

General

In the opinion of Kutak Rock LLP, Bond Counsel to the Authority, under existing laws, regulations, rulings and judicial decisions, interest on the Subordinate Series 2017 Bonds is excluded from gross income for federal income tax purposes, except for interest on any Subordinate Series 2017B Bond for any period during which such Subordinate Series 2017B Bond is held by a "substantial user" of the facilities financed or refinanced by the Subordinate Series 2017B Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is further of the opinion that (a) interest on the Subordinate Series 2017A Subordinate Bonds is not a specific preference item for purposes of the federal alternative minimum tax, and (b) interest on the Subordinate Series 2017B Bonds is a specific preference item for purposes of the federal alternative minimum tax. The opinions described in the preceding sentences assume the accuracy of certain representations and compliance by the Authority with covenants designed to satisfy the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be met subsequent to the issuance of the Subordinate Series 2017 Bonds. Failure to comply with such requirements could cause interest on the Subordinate Series 2017 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Subordinate Series 2017 Bonds. The Authority will covenant to comply with such requirements. Bond Counsel has expressed no opinion regarding other federal tax consequences arising with respect to the Subordinate Series 2017 Bonds.

Notwithstanding Bond Counsel's opinion that interest on the Subordinate Series 2017A Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax, such interest will be included in the adjusted current earnings of certain corporations, and such corporations are required to include in the calculation of federal alternative minimum taxable income 75% of the excess of such corporations' adjusted current earnings over their federal alternative minimum taxable income (determined without regard to such adjustment and prior to reduction for certain net operating losses).

Bond Counsel is further of the opinion that interest on the Subordinate Series 2017 Bonds is exempt from present State of California personal income taxes.

Special Considerations With Respect to the Subordinate Series 2017 Bonds

The accrual or receipt of interest on the Subordinate Series 2017 Bonds may otherwise affect the federal income tax liability of the owners of the Subordinate Series 2017 Bonds. The extent of these other tax consequences will depend upon such owner's particular tax status and other items of income or deduction. Bond Counsel has expressed no opinion regarding any such consequences. Purchasers of the Subordinate Series 2017 Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property or casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of social security or railroad retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, should consult their tax advisors as to the tax consequences of purchasing or owning the Subordinate Series 2017 Bonds.

Backup Withholding

As a result of the enactment of the Tax Increase Prevention and Reconciliation Act of 2005, interest on tax-exempt obligations such as the Subordinate Series 2017 Bonds is subject to information reporting in a manner similar to interest paid on taxable obligations. Backup withholding may be imposed on payments made to any bondholder who fails to provide certain required information including an accurate taxpayer identification number to any person required to collect such information pursuant to Section 6049 of the Code. The reporting requirement does not in and of itself affect or alter the excludability of interest on the Subordinate Series 2017 Bonds from gross income for federal income tax purposes or any other federal tax consequence of purchasing, holding or selling tax-exempt obligations.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the various state legislatures that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Subordinate Series 2017 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Subordinate Series 2017 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Subordinate Series 2017 Bonds or the market value thereof would be impacted thereby. Purchasers of the Subordinate Series 2017 Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Subordinate Series 2017 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Tax Treatment of Original Issue Premium

The Subordinate Series 2017A Bonds maturing on July 1, 20__ through, and including, July 1, 20__, and the Subordinate Series 2017B Bonds maturing on July 1, 20__ through, and including, July 1, 20__ (collectively, the "Premium Subordinate Series 2017 Bonds") are being sold at a premium. An amount equal to the excess of the issue price of a Premium Subordinate Series 2017 Bond over its stated redemption price at maturity constitutes premium on such Premium Subordinate Series 2017 Bond. An initial purchaser of a Premium Subordinate Series 2017 Bond must amortize any premium over such Premium Subordinate Series 2017 Bond's term using constant yield principles, based on the purchaser's yield to maturity (or, in the case of Premium Subordinate Series 2017 Bonds callable prior to their maturity, by amortizing the premium to the call date, based on the purchaser's yield to the call date and giving effect to the call premium). As premium is amortized, the amount of the amortization offsets a corresponding amount of interest for the period and the purchaser's basis in such Premium Subordinate Series 2017 Bond is reduced by a corresponding amount resulting in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes upon a sale or disposition of such Premium Subordinate Series 2017 Bond prior to its maturity. Even though the purchaser's basis may be reduced, no federal income tax deduction is allowed. Purchasers of the Premium Subordinate Series 2017 Bonds should consult with their tax advisors with respect to the determination and treatment of premium for federal income tax purposes and with respect to the state and local tax consequences of owning a Premium Subordinate Series 2017 Bond.

Tax Treatment of Original Issue Discount

The Subordinate Series 2017A Bonds maturing on July 1, 20__ through, and including, July 1, 20__, and the Subordinate Series 2017B Bonds maturing on July 1, 20__ through, and including, July 1, 20__ (collectively, the "Discount Subordinate Series 2017 Bonds") are being sold at an original issue discount. The difference between the initial public offering prices of such Discount Subordinate Series 2017 Bonds and their stated amounts to be paid at maturity constitutes original issue discount treated in the same manner for federal income tax purposes as interest, as described under "—General" above.

The amount of original issue discount which is treated as having accrued with respect to such Discount Subordinate Series 2017 Bond is added to the cost basis of the owner in determining, for federal income tax purposes, gain or loss upon disposition of such Discount Subordinate Series 2017 Bond (including its sale, redemption or payment at maturity). Amounts received upon disposition of such Discount Subordinate Series 2017 Bond which are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain, for federal income tax purposes.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discount Subordinate Series 2017 Bond, on days which are determined by reference to the maturity date of such Discount Subordinate Series 2017 Bond. The amount treated as original issue discount on such Discount Subordinate Series 2017 Bond for a particular semiannual accrual period is equal to the product of (i) the yield to maturity for such Discount Subordinate Series 2017 Bond (determined by compounding at the close of each accrual period) and (ii) the amount which would have been the tax basis of such Discount Subordinate Series 2017 Bond at the beginning of the particular accrual period if held by the original purchaser, less the amount of any interest payable for such Discount Subordinate Series 2017 Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discount Subordinate Series 2017 Bond the sum of the amounts which have been treated as original issue discount for such purposes during all prior periods. If such Discount Subordinate Series 2017 Bond is sold between semiannual compounding dates, original issue discount which would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

Owners of Discount Subordinate Series 2017 Bonds should consult their tax advisors with respect to the determination and treatment of original issue discount accrued as of any date and with respect to the state and local tax consequences of owning a Discount Subordinate Series 2017 Bond.

RATINGS

Moody's Investors Service, Inc., S&P Global Ratings, a business unit Standard & Poor's Financial Services LLC, and Fitch Ratings have assigned ratings of "[__]" ([______] outlook), "[__]" ([______] outlook), and "[__]" ([______] outlook), respectively, to the Subordinate Series 2017 Bonds. Such ratings reflect only the views of such organizations and any explanation of the meaning and significance of such ratings, including the methodology used and any outlook thereon, should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investor Services, Inc. 7 World Trade Center, 250 Greenwich Street, New York, New York 10007; S&P Global Ratings, 55 Water Street, New York, New York 10041; and Fitch Ratings, One State Street Plaza, New York, NY 10004.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The respective ratings are not a recommendation to buy, sell or hold the Subordinate Series 2017 Bonds. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such rating agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Subordinate Series 2017 Bonds.

LEGAL MATTERS

The validity of the Subordinate Series 2017 Bonds and certain other legal matters are subject to the approving opinion of Kutak Rock LLP, Bond Counsel to the Authority. A complete copy of the proposed form of Bond Counsel's opinion is contained in Appendix D hereto. As Bond Counsel, Kutak Rock LLP undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain matters will be passed upon for the Authority by the General Counsel to the Authority. Certain legal matters with respect to this Official Statement will be passed upon for the Authority by Kutak Rock LLP, Disclosure Counsel to the Authority. Certain legal matters will be passed upon for the Underwriters by their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. All of the fees of Bond Counsel, Disclosure Counsel and Underwriters' Counsel with respect to the issuance of the Subordinate Series 2017 Bonds are contingent upon the issuance and delivery of the Subordinate Series 2017 Bonds.

UNDERWRITING

The Subordinate Series 2017A Bonds will be purchased by Morgan Stanley & Co. LLC, Jefferies LLC, Backstrom McCarley Berry & Co., LLC, Citigroup Global Markets Inc., RBC Capital Markets, LLC, and Siebert Cisneros Shank & Co., L.L.C. (collectively, the "Underwriters"), from the Authority at a price of $____________ (which is the par amount of the Subordinate Series 2017A Bonds, plus an original issue premium of $____________, less an original issue discount of $____________, less an underwriters' discount of $____________), subject to the terms of the purchase contract (the "Purchase Contract"), between Morgan Stanley & Co. LLC, as representative of the Underwriters, and the Authority.

The Subordinate Series 2017B Bonds will be purchased by the Underwriters from the Authority at a price of $____________ (which is the par amount of the Subordinate Series 2017B Bonds, plus an original issue premium of $____________, less an original issue discount of $____________, less an underwriters' discount of $____________), subject to the terms of the Purchase Contract.

The Purchase Contract provides that the Underwriters will purchase all of the Subordinate Series 2017 Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract, the approval of certain legal matters by counsel, and certain other conditions. The initial public offering prices of the Subordinate Series 2017 Bonds set forth on the inside of the front cover hereof may be changed from time to time by the Underwriters. The Underwriters may offer and sell the Subordinate Series 2017 Bonds into unit investment trusts or money market funds at prices lower than the public offering prices stated on the cover hereof.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority.

Morgan Stanley & Co. LLC ("Morgan Stanley") provided the information contained in this paragraph for inclusion in this Official Statement and the Authority does not take any responsibility for or make any representation as to its accuracy or completeness. Morgan Stanley, one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Subordinate Series 2017 Bonds.

Jefferies LLC ("Jefferies") provided the information contained in this paragraph for inclusion in this Official Statement and the Authority does not take any responsibility for or make any representation as to its accuracy or completeness. Jefferies, one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into an agreement (the " Jefferies Agreement") with E*TRADE Securities LLC ("E*TRADE") for the retail distribution of municipal securities. Pursuant to the Jefferies Agreement, Jefferies will sell Subordinate Series 2017 Bonds to E*TRADE and will share a portion of its selling concession compensation with E*TRADE.

Backstrom McCarley Berry & Co., LLC ("BMcB") provided the information contained in this paragraph for inclusion in this Official Statement and the Authority does not take any responsibility for or make any representation as to its accuracy or completeness. BMcB, one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into separate non-exclusive distribution agreements with TD Ameritrade, Hilltop Securities, UMB, D.A. Davidson & Co., and Wedbush Securities Inc. (the Firms) to augment both its institutional and retail marketing capabilities for the distribution of certain new issue municipal securities underwritten by or allocated to BMcB, which includes the Subordinate Series 2017 Bonds. Pursuant to these distribution agreements, the Firms may purchase Subordinate Series 2017 Bonds from BMcB at the original issue price less a negotiated portion of the selling concession applicable to any Subordinate Series 2017 Bonds that such firm sells, or BMcB may share with the Firms a portion of the fees or commission paid to BMcB applicable to their disclosed transactions.

Citigroup Global Markets Inc. ("Citigroup") provided the information contained in this paragraph for inclusion in this Official Statement and the Authority does not take any responsibility for or make any representation as to its accuracy or completeness. Citigroup, one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into a retail distribution agreement with UBS Financial Services Inc. ("UBSFS"). Under this distribution agreement, Citigroup may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup may compensate UBSFS for their selling efforts with respect to the Subordinate Series 2017 Bonds.]

MUNICIPAL ADVISOR

The Authority has retained the services of Frasca & Associates, LLC, New York, New York, as Municipal Advisor in connection with the issuance of the Subordinate Series 2017 Bonds. The Municipal

Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CONTINUING DISCLOSURE

At the time of issuance of the Subordinate Series 2017 Bonds, the Authority will execute and deliver a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate") substantially in the form set forth in Appendix E of this Official Statement. Pursuant to the Continuing Disclosure Certificate, the Authority will covenant to provide, or cause to be provided, to the MSRB, through the EMMA System, in an electronic format as prescribed by the MSRB, for purposes of Rule 15c2-12 adopted by the SEC ("Rule 15c2-12"), certain annual financial information and operating data relating to the Authority and the Airport System and, in a timely manner, notice of certain enumerated events. See "APPENDIX E—FORM OF CONTINUING DISCLOSURE CERTIFICATE."

During the last five years, the Authority has never failed to comply in all material respects with any continuing disclosure undertakings with regard to Rule 15c2-12 to provide annual financial information and operating data relating to the Authority and the Airport System and, in a timely manner, notice of certain enumerated events.

FINANCIAL STATEMENTS

The audited financial statements of the Authority for Fiscal Years 2016 and 2015 are included as Appendix B attached hereto. The financial statements referred to in the preceding sentence have been audited by BKD, LLP, the Authority's independent auditor, as stated in its Independent Auditor's Report, dated October 31, 2016, included in Appendix B. [The Authority has not requested the consent of BKD, LLP, nor has BKD, LLP consented, to the inclusion of the financial statements of the Authority or the Independent Auditor's Report in Appendix B. BKD, LLP has not been engaged to perform, and has not performed, since the date of its Independent Auditor's Report, any procedures on the financial statements addressed in that report. BKD, LLP also has not performed any procedures relating to this Official Statement.]

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not expressly stated, are set forth as such and not representations of fact. No representation is made that any of such opinions or estimates will be realized.

All references to the Act, the Senior Indenture, the Subordinate Indenture, the Airline Lease Agreements and agreements with any other parties herein and in the Appendices hereto are made subject to the detailed provisions of such documents, and reference is made to such documents and agreements for full and complete statements of the contents thereof. Copies of such documents are available for review at the offices of the Authority which are located at 3rd Floor, 3225 North Harbor Drive, San Diego, California 92101. This Official Statement is not to be construed as a contract or agreement between the Authority and the owners of any of the Subordinate Series 2017 Bonds.

AUTHORIZATION

The Board has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered by the President and CEO on behalf of the Authority.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ____
President/CEO

APPENDIX A

FINANCIAL FEASIBILITY REPORT

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APPENDIX B

AUDITED FINANCIAL STATEMENTS OF
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

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APPENDIX C

CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SUBORDINATE INDENTURE AND THE FIFTH SUPPLEMENTAL SUBORDINATE INDENTURE

APPENDIX D

PROPOSED FORM OF BOND COUNSEL'S OPINION

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APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Certificate") is executed and delivered by the San Diego County Regional Airport Authority (the "Authority") in connection with the issuance of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A (the "Subordinate Series 2017A Bonds"), and San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B (the "Subordinate Series 2017B Bonds," and together with the Subordinate Series 2017A Bonds, the "Subordinate Series 2017 Bonds"). The Subordinate Series 2017 Bonds are being issued pursuant to the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "Subordinate Trustee"), and the Fifth Supplemental Subordinate Trust Indenture, dated as of August 1, 2017 (the "Fifth Supplemental Subordinate Indenture," and collectively with the Master Subordinate Indenture and all supplements thereto, the "Subordinate Indenture"), by and between the Authority and the Subordinate Trustee. Additionally, the Subordinate Series 2017 Bonds have been authorized by Resolution No. 2017-____ adopted by the board of directors of the Authority on July 6, 2017 (the "Resolution"). The Subordinate Series 2017 Bonds are being issued pursuant to Section 170000 et seq. of the California Public Utilities Code (the "Act"), and in accordance with Revenue Bond Law of 1941 Chapter 6 (commencing with §54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with §54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and the limitations set forth in California Government Code §54402(b), which shall not apply to the issuance and sale of bonds pursuant to the Act.

In consideration of the purchase of the Subordinate Series 2017 Bonds by the Participating Underwriter (as defined below), the Authority covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Subordinate Series 2017 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

Section 2. Definitions. In addition to the definitions set forth in the Subordinate Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 hereof.

"*Beneficial Owner*" means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Subordinate Series 2017 Bonds (including persons holding Subordinate Series 2017 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Subordinate Series 2017 Bonds for federal income tax purposes.

"*Dissemination Agent*" means the Authority, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"*EMMA System*" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"*Holders*" means either the registered owners of the Subordinate Series 2017 Bonds, or if the Subordinate Series 2017 Bonds are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

"*Listed Events*" means any of the events listed in Sections 5(a) and 5(b) hereof.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor thereto.

"*Obligated Person*" means the Authority and each airline or other entity using the Airport System under a lease or use agreement extending for more than one year from the date in question and including bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or other entity has paid amounts equal to at least 20% of the Revenues of the Airport System for the prior two Fiscal Years of the Authority. At the time of issuance of the Subordinate Series 2017 Bonds, the Authority is the only Obligated Person.

"*Official Statement*" means the Official Statement, dated July ___, 2017, prepared and distributed in connection with the initial sale of the Subordinate Series 2017 Bonds.

"*Participating Underwriter*" means any of the original underwriters of the Subordinate Series 2017 Bonds required to comply with the Rule in connection with the offering of the Subordinate Series 2017 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" means the State of California.

Section 3. Provision of Annual Reports.

(a) The Authority shall provide, or shall cause the Dissemination Agent to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB) an Annual Report which is consistent with the requirements of Section 4 hereof by not later than 181 days after the end of the Authority's fiscal year in each fiscal year. The Authority's first Annual Report shall be due December 28, 2018. Not later than 15 Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof. The audited financial statements of the Authority may be submitted separately from the balance of the Annual Report if they are not available by the date of submission, provided such financial statements are submitted within 210 days after the end of the Authority's fiscal year. If the Authority's fiscal year changes, the Authority, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent (if other than the Authority) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Authority to determine if the Authority is in compliance with subsection (a).

(c) If the Authority is unable to provide to the MSRB or the Dissemination Agent (if other than the Authority), an Annual Report by the date required in subsection (a), the Authority shall send a notice to the MSRB through the EMMA System in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent (if other than the Authority) shall confirm in writing to the Authority that the Annual Report has been filed as required hereunder, stating the date filed.

Section 4. Content of Annual Reports.

(a) The Authority's Annual Report shall contain or incorporate by reference the following, updated to incorporate information for the most recent fiscal or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Subordinate Series 2017 Bonds, unless otherwise noted):

(i) Audited financial statements of the Authority, updated to incorporate information for the most recent fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Authority, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(ii) Outstanding principal amounts of the Senior Bonds (including the Senior Series 2013 Bonds) and the Subordinate Obligations (including the Subordinate Series 2017 Bonds, the Subordinate Series 2010 Bonds, the Subordinate Revolving Obligations and the Subordinate Drawdown Bonds);

(iii) Table 4 — San Diego County Regional Airport Authority, Future Rental Commitments;

(iv) Table 5 — San Diego International Airport, Air Carriers Serving San Diego International Airport;

(v) Table 6 — San Diego International Airport, Total Enplanements and Deplanements;

(vi) Table 7 — San Diego International Airport, Revenue Operations;

(vii) Table 8 — San Diego International Airport, Historical Enplaned and Deplaned Freight and U.S. Mail Cargo;

(viii) Table 9 — San Diego International Airport, Enplanements by Air Carriers;

(ix) Table 10 — San Diego International Airport, Total Revenue Landed Weight;

(x) Table 12 — San Diego County Regional Airport Authority, Investments;

(xi) Table 13 — San Diego County Regional Airport Authority, Statements of Revenues, Expenses and Change in Net Position;

(xii) Table 14 — San Diego County Regional Airport Authority, Top Ten Operating Revenue Providers;

(xiii) Table 15 — San Diego County Regional Airport Authority, Top Ten Operating Revenue Sources;

(xiv) Table 16 — San Diego County Regional Airport Authority, Historical Senior and Subordinate Debt Service Coverage;

(xv) Table 17 — San Diego International Airport, Airline Derived Revenue Per Passenger;

(xvi) Table 21 — San Diego County Regional Airport Authority, Approved PFC Applications; and

(xvii) Table 22 — San Diego County Regional Airport Authority, Annual Receipt of PFCs;

(b) All or any portion of the information of the Annual Report may be incorporated in the Annual Report by cross reference to any other documents which have been filed with the MSRB.

(c) Information contained in an Annual Report for any fiscal year containing any modified operating data or financial information (as contemplated by Section 8 hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Subordinate Series 2017 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions with respect to the tax status of the Subordinate Series 2017 Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Subordinate Series 2017 Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes; or

9. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Subordinate Series 2017 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Subordinate Series 2017 Bonds or other material events affecting the tax status of the Subordinate Series 2017 Bonds;

2. Modifications to rights of the Beneficial Owners or Holders of the Subordinate Series 2017 Bonds;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Subordinate Series 2017 Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee;

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Beneficial Owners and Holders of the affected Subordinate Series 2017 Bonds pursuant to the Subordinate Indenture.

Section 6. Termination of Reporting Obligation. The Authority's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge the Subordinate Series 2017 Bonds, or upon delivery to the Dissemination Agent (if other than the Authority) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Subordinate Series 2017 Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

Section 7. Dissemination Agent. From time to time, the Authority may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Authority) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out of pocket expenses (including, but not limited to, attorneys' fees). The Dissemination Agent (if other than the Authority) shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the Authority may amend this Certificate, and any provision of this Certificate may be waived, provided that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an

Obligated Person with respect to the Subordinate Series 2017 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Subordinate Series 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Subordinate Series 2017 Bonds in the same manner as provided in the Subordinate Indenture for amendments to the Subordinate Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Subordinate Series 2017 Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the Authority shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Subordinate Series 2017 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Dissemination Agent (if other than the Authority), as the case may be, to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Subordinate Indenture and the sole remedy under this Certificate in the event of any failure of the Authority or the Dissemination Agent (if other than the Authority) to comply with this Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the Subordinate Indenture. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Subordinate Series 2017 Bonds.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Subordinate Series 2017 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Certificate this ____ day of August, 2017.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ____
Name: ____
Title: ____

Approved as to form:

By ____________________________________
Amy Gonzalez
General Counsel

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	San Diego County Regional Airport Authority
Name of Bond Issue:	Subordinate Airport Revenue Bonds, Series 2017A
	Subordinate Airport Revenue Bonds, Series 2017B
Date of Issuance:	August ___, 2017
CUSIP:	79739G____

NOTICE IS HEREBY GIVEN that the San Diego County Regional Airport Authority (the "Authority") has not provided an Annual Report with respect to the above named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated August ___, 2017, executed by the Authority for the benefit of the holders and beneficial owners of the above referenced bonds. The Authority anticipates that the Annual Report will be filed by _________, 20__.

Dated:_____________________

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By: ____
Authorized Representative

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APPENDIX F

BOOK-ENTRY-ONLY SYSTEM

Introduction

Unless otherwise noted, the information contained under the caption "—General" below has been provided by DTC. The Authority makes no representations as to the accuracy or the completeness of such information. The Beneficial Owners of the Subordinate Series 2017 Bonds should confirm the following information with DTC, the Direct Participants or the Indirect Participants.

NEITHER THE AUTHORITY NOR THE SUBORDINATE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, TO INDIRECT PARTICIPANTS, OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY DIRECT PARTICIPANT, OR ANY INDIRECT PARTICIPANT; (B) ANY NOTICE THAT IS PERMITTED OR REQUIRED TO BE GIVEN TO THE OWNERS OF THE SUBORDINATE SERIES 2017 BONDS UNDER THE SUBORDINATE INDENTURE, (C) THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SUBORDINATE SERIES 2017 BONDS; (D) THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OR INTEREST DUE TO THE OWNERS OF THE SUBORDINATE SERIES 2017 BONDS; (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS THE OWNERS OF SUBORDINATE SERIES 2017 BONDS; OR (F) ANY OTHER MATTER REGARDING DTC.

General

DTC will act as securities depository for the Subordinate Series 2017 Bonds. The Subordinate Series 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered Subordinate Series 2017 Bond certificate will be issued for each maturity of the Subordinate Series 2017 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Subordinate Series 2017 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Subordinate Series 2017 Bonds on DTC's records. The ownership interest of each actual purchaser of each Subordinate Series 2017 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Subordinate Series 2017 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Subordinate Series 2017 Bonds, except in the event that use of the book-entry system for the Subordinate Series 2017 Bonds is discontinued.

To facilitate subsequent transfers, all Subordinate Series 2017 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Subordinate Series 2017 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Subordinate Series 2017 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Subordinate Series 2017 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Subordinate Series 2017 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Subordinate Series 2017 Bonds, such as redemptions, tenders, defaults and proposed amendments to the Subordinate Series 2017 Bond documents. For example, Beneficial Owners of Subordinate Series 2017 Bonds may wish to ascertain that the nominee holding the Subordinate Series 2017 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

While the Subordinate Series 2017 Bonds are in the book-entry-only system, redemption notices will be sent to DTC. If less than all of the Subordinate Series 2017 Bonds of a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Subordinate Series 2017 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Subordinate Series 2017 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Subordinate Series 2017 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority, the Subordinate Trustee on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Subordinate Trustee or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Subordinate Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Subordinate Series 2017 Bonds at any time by giving reasonable notice to the Authority or the Subordinate Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates representing the Subordinate Series 2017 Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates representing the Subordinate Series 2017 Bonds will be printed and delivered to DTC.

The information in this Appendix F concerning DTC and DTC's book-entry system has been obtained from sources that the Authority believes to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

BENEFICIAL OWNERS WILL NOT RECEIVE PHYSICAL DELIVERY OF SUBORDINATE SERIES 2017 BONDS AND WILL NOT BE RECOGNIZED BY THE TRUSTEE AS OWNERS THEREOF, AND BENEFICIAL OWNERS WILL BE PERMITTED TO EXERCISE THE RIGHTS OF OWNERS ONLY INDIRECTLY THROUGH DTC AND THE DTC PARTICIPANTS.

Draft – June 14, 2017

Ms. Kimberly Becker
President and CEO
San Diego County Regional Airport Authority
3225 North Harbor Drive
San Diego, CA 92101

Subject: ***Financial Feasibility Report - San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A and Series 2017B***

Dear Ms. Becker:

Unison Consulting, Inc. ("Unison") is pleased to submit the attached Financial Feasibility Report regarding the proposed issuance by the San Diego County Regional Airport Authority (the "Authority") of its Subordinate Airport Revenue Bonds, Series 2017A and Series 2017B (collectively, the "Series 2017 Bonds") in the approximate aggregate principal amount of $_____ million. The Series 2017 Bonds are being issued as subordinate lien bonds. The proceeds of the Series 2017 Bonds will be used to (i) fund a portion of the costs of certain capital projects included in the Authority's capital program; (ii) repay a portion of the outstanding Subordinate short term obligations; (iii) fund a reserve fund; (iv) pay capitalized interest; and (v) pay costs of issuance of the Series 2017 Bonds.

The Series 2017 Bonds are being issued as Subordinate Obligations under and subject to the terms of the Master Subordinate Trust Indenture, dated as of September 1, 2007 (the "Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association (the "Subordinate Trustee"), and a Fifth Supplemental Subordinate Trust Indenture, dated as of _____ 1, 2017 (the "Fifth Supplemental Subordinate Indenture"), by and between the Authority and the Subordinate Trustee. The Series 2017 Bonds are special obligations of the Authority, secured by and payable from the Authority's Subordinate Net Revenues and certain funds and accounts held by the Subordinate Trustee.

Until January 2003, San Diego International Airport ("SAN", or the "Airport") was owned and operated by the San Diego Unified Port District. In January 2003, the Airport was transferred by long-term lease to the Authority, which now operates the Airport. SAN is the main commercial service airport serving the City of San Diego and the San Diego metropolitan area.

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Chicago, Illinois / Orange County, California / San Antonio, Texas / St. Louis, Missouri

During the Authority's FY 2016[1], the Airport enplaned approximately 10.2 million passengers. The FAA classifies SAN as a large-hub airport, a category that includes airports enplaning 1.0 percent or more of annual domestic enplanements. Based on calendar year 2015 data (the most recent data available), the Airports Council International – North America ("ACI-NA") ranked SAN 27th in the nation in terms of total passengers served, 41st in the nation in terms of total aircraft movements, The Airport is located approximately three miles northwest of downtown San Diego.

Purpose of the Bond Financing

The Authority maintains a five-year capital program that is designed to preserve regulatory compliance, critical infrastructure functions and Airport access. Additionally, the capital program seeks to enhance safety, customer service, cost savings and revenue opportunities. The Authority's current five-year capital program (the "Capital Program") includes projects to be completed in FY 2018 through FY 2022 at an estimated cost of approximately $1.2 billion. The Capital Program includes, among other projects, the new Terminal 2 Parking Plaza (consisting of a three-story public parking structure, to contain approximately 2,900 parking spaces, located across from Terminal 2), a new Federal Inspection Services (FIS) facility, and various other airfield, terminal and landside projects.

The Series 2017 Bonds are being issued to finance approximately $321.0 million in costs of the Capital Program. The costs of the Authority's Capital Program are expected to be funded from the following sources in addition to the Series 2017 Bonds: (i) Future General Airport Revenue Bonds (GARBs) anticipated to be issued in the second half of calendar year 2018 (the "Series 2018 Bonds"); (ii) Authority funds; (iii) Passenger Facility Charges ("PFCs"); (iv) FAA Airport Improvement Program ("AIP") grants; (v) the proceeds of previously issued Series 2010 Bonds and Series 2013 Bonds; (vi) rental car Customer Facility Charges ("CFCs"), including proceeds from the special facility bonds issued in 2014 that are secured by CFC collections; and (vii) anticipated electric energy grants to fund electrical vehicle supply equipment.

Rate Covenants

Under the Master Senior Indenture, the Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least equal to the following amounts: (a) the aggregate annual debt service on any outstanding Senior Bonds; (b) the required deposits to any Senior Debt Service Reserve Fund; (c) the reimbursement owed to any credit provider or liquidity provider as required by a Supplemental Senior Indenture; (d) the interest on and principal of any indebtedness other than Outstanding Senior Bonds, including Subordinate Obligations; and (e) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Senior Bonds, including Subordinate Obligations.

The Authority has also covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least equal to 125 percent of aggregate annual debt service on the Outstanding Senior Bonds. This provision is known as the "Senior Rate Covenant."

[1] The Authority's Fiscal Year (FY) begins on July 1 and ends on June 30 of the following year.

Under the Master Subordinate Indenture, the Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Subordinate Net Revenues at least equal to the following amounts: (a) the Aggregate Annual Debt Service required to be funded in each Fiscal Year on any Outstanding Subordinate Obligations; (b) the required deposits to any Subordinate Debt Service Reserve Fund; (c) the reimbursement owed to any credit provider or liquidity provider as required by a Supplemental Subordinate Indenture; (d) the interest on and principal of any indebtedness other than Special Facility Obligations, senior lien revenue bonds and Outstanding Subordinate Obligations, including obligations issued with alien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations; (e) payments of any reserve requirement for debt service for any indebtedness other than senior bonds and Outstanding Subordinate Obligations, including obligations issued with a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations.

The Authority has also covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least 110 percent of Aggregate Annual Debt Service on the Outstanding Subordinate Obligations. This provision is known as the "Subordinate Rate Covenant."

Airline Operating and Lease Agreement

The Authority collects landing fees, terminal rentals, aircraft parking fees, security surcharges, FIS facilities charges, and other fees from the airlines operating at the Airport to support the operation and maintenance of the facilities used by the airlines. The Authority has entered into separate, but substantially similar, Airline Operating and Lease Agreements (the "Airline Agreements") with the air carriers operating at SAN (the "Signatory Airlines"). The Airline Agreements cover the use of and rate-setting mechanisms for the airfield and terminal facilities at SAN. The Airline Agreements have a term commencing on July 1, 2013 and terminating on June 30, 2018, unless terminated earlier pursuant to their terms. The Signatory Airlines and the Authority have begun negotiating a new airline operating and lease agreement, which the Authority expects to be effective on July 1, 2018. The financial analyses and projections in this section assume that the new airline operating and lease agreement will have substantially the same rate making provisions as included in the current Airline Agreements.

The calculation methodologies for the airline rates and charges, as specified in the current Airline Agreements, include a cost center residual methodology for the landing fee and a cost center compensatory methodology for the terminal rental rate. The calculations for the projected landing fee and the terminal rental rate during the forecast period are presented later in this section. The airline revenue projections presented in this section reflect the current airline rate methodology.

Report Organization

Unison has prepared the attached Report to evaluate the ability of the Authority to meet the financial requirements established by the Master Senior Indenture and Master Subordinate

Indenture. The following summary of the components of the attached Report provides an overview of the comprehensive analysis performed:

- **Section 1** describes the Authority and the Airport, and describes the Authority's Capital Program and associated funding plan.
- **Section 2** defines the Airport's air service area and discusses the local economic base.
- **Section 3** analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.
- **Section 4** reviews the framework for the financial operation of the Authority, including key provisions of the Master Senior Indenture and the Master Subordinate Indenture. This section also reviews the recent historical financial performance of the Authority, and examines the ability of the Authority to meet the obligations of the Master Senior Indenture and the Master Subordinate Indenture.

Assumptions

The analysis and forecasts contained in the attached Report are based upon certain data, estimates, and assumptions that were provided by the Authority, and certain data and projections from other independent sources as referenced herein. The attached Report should be read in its entirety for an understanding of the forecasts and the underlying assumptions. In our opinion, the data, estimates, and assumptions used in the report are reliable, and provide a reasonable basis for our forecast given the information available and circumstances as of the date of this Report. However, any forecast is subject to uncertainties. Inevitably, some assumptions will not be realized, and unanticipated events and circumstances may occur. Therefore, the actual results achieved may vary from the forecasts, and the variations could be material.

The major assumptions utilized in the attached Report are listed below:

1. The Authority will complete the projects listed in the Capital Program, including the projects to be funded with the proceeds of the Series 2017 Bonds, within the budgeted costs and according to the estimated schedule.
2. Following the expiration of the current airline lease agreement on June 30, 2018, a new airline lease agreement with substantially similar terms will become effective on July 1, 2018, and the current airline rates and charges methodology will continue throughout the forecast period.
3. The forecasts of aviation activity presented in the Report were developed using a modeling approach that links long-term air traffic activity to projected trends in key demand drivers. A multivariate regression model was developed that relates enplanements to long-term demand drivers such as regional economic trends, national economic trends, and trends in the price of air travel at the Airport. The model is

consistent with sound economic theory, is well-supported by empirical trends, and passes statistical evaluation.

4. The Authority will continue to apply approximately $30.0 million of annual PFCs toward a portion of debt service on Senior Bonds and Subordinate Obligations in each Fiscal Year during the forecast period.

Findings and Conclusions

Based upon the assumptions and analysis presented in the attached Report, we forecast that the Authority will be able to comply with the rate covenant provisions of the Master Senior Indenture, the Master Subordinate Indenture, while maintaining a reasonable airline cost per enplaned passenger. Specifically, we conclude the following:

- Debt service coverage calculated according to the Senior Rate Covenant is projected to equal at least 3.63 times debt service during the forecast period.
- Debt service coverage calculated according to the Subordinate Rate Covenant is projected to equal 2.12 times debt service in FY 2018 and then equal at least 2.44 times debt service during the remainder of the forecast period.
- The airline cost per enplaned passenger is projected to remain reasonable during the forecast period. SAN's airline cost per enplanement is projected to increase from $10.71 in FY 2017 to a high of $14.92 in FY 2022, before decreasing to $14.70 in FY 2023.
- PFC revenues are projected to increase from $41.5 million in FY 2017 to $46.6 million in FY 2023. The PFC fund balance is projected to increase from $33.7 million in FY 2018 to $69.0 million in FY 2023.
- Under the low enplanement forecast scenario, the senior debt service coverage and the subordinate debt service coverage are projected to remain well above the minimum requirements throughout the forecast period. The projected airline cost per enplanement under the low enplanement forecast scenario is projected to remain under $16.00 during the forecast period, and the PFC fund balance is projected to increase from $31.3 million in FY 2018 to $53.4 million in FY 2023.

Based on the above, we conclude that it is financially feasible for the Authority to proceed with the issuance of the Series 2017 Bonds.

Sincerely,

UNISON CONSULTING, INC.

UNISON
Consulting, Inc.

FINANCIAL FEASIBILITY REPORT

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

Prepared by:

UNISON Consulting, Inc.

Draft – June 14, 2017

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Section 1 Introduction and Capital Program

This Report considers the financial feasibility of the issuance of the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A and Series 2017B (collectively, "the Series 2017 Bonds"). The proceeds of the Series 2017 Bonds will be used to (i) fund a portion of the cost of certain capital projects included in the Capital Program of the San Diego County Regional Airport Authority (the "Authority"), for capital improvements at the San Diego International Airport ("SAN" or the "Airport"); (ii) repay a portion of the outstanding Subordinate short term obligations; (iii) fund a reserve fund; (iv) pay capitalized interest; and (v) pay certain costs of issuance of the Series 2017 Bonds.

This Report is organized into the following sections:

- Section 1 describes the Authority, the Airport, the Capital Program, and the funding plan for the Capital Program.
- Section 2 defines the Airport's air service area and discusses the local economic base.
- Section 3 analyzes the historical aviation activity at the Airport and presents forecasts of future aviation activity.
- Section 4 reviews the Airline Agreement including the airline rates and charges methodology and the framework for the financial operation of the Authority. This section also reviews the recent historical financial performance of the Authority, and examines the ability of the Authority to generate sufficient Net Revenues and Subordinate Net Revenues in each year of the forecast period to meet the obligations of the Master Senior Indenture and the Master Subordinate Indenture.

1.1 The San Diego County Regional Airport Authority

The Authority is a local governmental entity of regional government, with jurisdiction extending throughout the County of San Diego (the "County") and is responsible for the operation of the Airport. SAN operates as a commercial service airport and served approximately 20.4 million total passengers during the Authority's Fiscal Year ("FY") ended June 30, 2016 ("FY 2016").

The San Diego County Regional Airport Authority Act, codified in California Public Utilities Code Section 170000 et seq. (the "Act"), established the Authority. The Authority was created as an independent agency to manage the day-to-day operations of the Airport and to address the region's long-term air transportation needs. Effective January 1, 2003, the operations and assets of the Airport were transferred from the San Diego Unified Port District (the "Port District") to the Authority. The legislation that created the Authority mandates the following three main responsibilities for the Authority: (1) operate the Airport; (2) plan for the future air transportation needs of the region; and (3) serve as the region's Airport Land Use Commission, and thereby ensure the adoption of land use plans that protect public health and safety surrounding all 16 of the County's airports.

The Authority is governed by a nine-member board of directors (the "Board") representing all areas of the County, and three additional members serving as non-voting, ex-officio board members. Board members serve three year terms and may be reappointed. The Act specifies the appointment of the members of the Board as follows: the Mayor of the City of San Diego appoints three members (two of which are subject to confirmation by the City Council); the Chair of the County of San Diego Board of Supervisors appoints two members (subject to confirmation by the Board of Supervisors); the mayors of the east county cities (El Cajon, Lemon Grove, La Mesa and Santee) appoint one member; the mayors of the north county coastal cities (Carlsbad, Del Mar, Encinitas, Oceanside, and Solana Beach) appoint one member; the mayors of the north county inland cities (Poway, Escondido, Vista and San Marcos) appoint one member; and the mayors of the south county cities (Coronado, Imperial Beach, Chula Vista and National City) appoint one member. Two ex-officio non-voting members serving as the District Director of the State Department of Transportation for the San Diego region and the Department of Finance representative for the State Lands Commission, are appointed by the Governor of the State of California. A representative of the United States Navy and the United States Marine Corps provides an additional non-voting ex-officio member.

The Authority holds public meetings of the full Board once a month and periodic meetings of several standing committees. The standing committees, which were formed to better address key policy areas and develop items for consideration by the full Board, include the following: Executive Committee; Executive Personnel and Compensation Committee; Finance Committee; Audit Committee; and Capital Improvement Program Oversight Committee.

Kimberly Becker was appointed Authority President and CEO/Executive Director ("President/CEO") effective May 1, 2017. Ms. Becker has overall responsibility for the management, administration, and planning of the Authority, its annual budget and approximately 410 employees. Ms. Becker has an experienced staff to aid her in carrying out the responsibilities of the position, including the vice presidents who head the various Authority divisions. The President/CEO, Chief Auditor, and General Counsel are appointed by the Board.

1.2 San Diego International Airport

The Airport serves a region that includes San Diego County, portions of Orange, Riverside and San Bernardino Counties and the northern portion of Baja California, Mexico. The Airport is the main commercial service airport in the County and the San Diego metropolitan area. During the Authority's FY 2016[1], the Airport enplaned approximately 10.206 million passengers. The FAA classifies SAN as a large-hub airport, a category that includes airports enplaning 1.0 percent or more of annual domestic enplanements. Based on calendar year 2015 data (the most recent data available), the Airports Council International – North America ("ACI-NA") ranked SAN 27th in the nation in terms of total passengers served, 41st in the nation in terms of total aircraft movements,

[1] The Authority's Fiscal Year (FY) begins on July 1 and ends on June 30 of the following calendar year.

and 29th in terms of total cargo processed. Covering 661 acres, the Airport is located three miles northwest of downtown San Diego, adjacent to U.S. Interstate 5 and the San Diego Bay.

The operations and improvements at SAN are funded by airport user charges, rents, Passenger Facility Charges ("PFCs"), bond funds, rental car Customer Facility Charges ("CFCs"), and funds received from the Federal Aviation Administration ("FAA") and the Transportation Security Administration ("TSA"). No general tax fund revenues are used to operate or maintain the Airport.

1.2.1 Airfield

SAN is the busiest single-runway commercial airport in the nation, based on passenger levels. The Airport was originally dedicated as the "San Diego Municipal Airport – Lindbergh Field" on August 16, 1928. It became the first federally certified airfield to serve all aircraft types, including seaplanes, in 1934. The Airport's infrastructure was improved after the U.S. Army Air Corps took over the Airport in 1942 to support the military's war efforts during World War II. Improvements included the construction of an 8,750-foot runway, which has since been expanded to 9,401 feet. In addition to the runway, the airfield includes one taxiway on the south side of the runway (Taxiway B) and a series of taxiways on the north side of the runway, including Taxiway C. The airfield also includes ancillary taxiways that provide runway and terminal access, and aprons that provide aircraft parking.

Conditions at SAN make the addition of a runway difficult. Obstacles to runway expansion include significant geographic obstructions, including high terrain to the northeast and southwest of the Airport, as well as manmade obstructions, such as office buildings, to the northeast, east, and southeast of the Airport. Other obstacles to runway expansion include major land acquisition requirements, extensive infrastructure impacts, local resident opposition, and increased noise impacts. However, airfield capacity is not expected to be a limiting factor within the forecast period of this Report, as discussed in Section 3. In addition to the restrictions to the physical capacity of the Airport's airfield, there are direct restrictions on operations relating to noise abatement. See Section 3 for a further discussion of these constraints.

1.2.2 Passenger Terminals

The Airport has two passenger terminals (Terminal 1 and Terminal 2), which together contain a total of 51 gates, consisting of 19 gates in Terminal 1 and 32 gates in Terminal 2. Terminal 1 opened in March 1967. Terminal 2 consists of Terminal 2 East, with 13 jet gates, and Terminal 2 West, with 19 jet gates. Terminal 2 East opened in July 1979. Terminal 2 West, which originally opened in 1998, was expanded in August 2013. The baggage claim for all of Terminal 2 (East and West) is located in Terminal 2 West. In March 2015, the Authority completed its Concessions Development Program (CDP), which involved completely revamping the shopping and dining options in the passenger terminals. The Authority began implementing the CDP after its master concession agreement with one master concessions operator expired in November 2012. The CDP increased the number of shops and restaurants from 55 to 83, and involved the introduction of local San Diego offerings, including Phil's BBQ, Saffron, and Warwick's of La Jolla, among others. In 2015, *Airport Revenue News* honored SAN with five awards in the category of airports with between five and 10 million annual enplanements, including "Best Overall Concessions Program."

1.2.3 Landside Facilities

The Airport offers the following public parking options:

- Terminal Lots 1 and 2 are located directly across from Terminals 1 and 2, respectively. These lots are intended for short-term parking, with a daily maximum rate of $32. A portion of the Terminal Lot 2 is closed during the construction of the Terminal 2 Parking Plaza, which began in 2016 and is scheduled to be completed in the summer of 2018. During construction, the Terminal Lots 1 and 2 together provide 2,151 public parking spaces, with 1,122 spaces in Terminal Lot 1 and 1,029 spaces in Terminal Lot 2. The Terminal 2 Parking Plaza is planned to provide approximately 2,900 additional parking spaces.
- The Long Term Lot is located on Harbor Drive and is serviced by free shuttle bus service. This lot provides 1,098 long-term parking spaces with a daily rate of $20.
- The Economy Lot, located on the north side of the airfield and accessed from Pacific Highway, also provides long-term parking (1,517 spaces) and is serviced by free shuttle bus service. The daily rate is $13.
- A free cell phone lot (97 spaces) is located east of the Authority administration offices.
- Valet parking is available (456 spaces), with curb-side drop-off in front of Terminals 1 and 2. The daily rate for valet parking is $40 ($35 with advance reservation).

Roadway access to the Airport is via two independent entrance roadways for Terminal 1 and Terminal 2, both from North Harbor Drive. The Airport terminal roadway system includes a one-level roadway for Terminal 1 and a two-level roadway for Terminal 2, which separates departing and arriving passengers.

1.2.4 Other Facilities

The north airfield area contains various other facilities, including: an air traffic control tower; an Airport Rescue and Fire Fighting ("ARFF") facility; a cargo ramp; a fuel farm; a receiving and distribution center for food, beverage, retail and other goods; a Rental Car Center (RCC) that houses the rental car companies in a single building and which includes a 5,400-space parking garage; a Fixed Base Operator (FBO) facility, which includes a terminal, a ramp, and five hangars; and associated roadways, including a roadway linking the Northside with the passenger terminals, for rental car and parking shuttle buses. The Authority's administration offices are located in the building on the south of the airfield that previously housed the commuter terminal.

1.3 Capital Program Estimated Costs and Funding Plan

The Authority maintains a five-year capital program that is designed to preserve regulatory compliance, critical infrastructure functions and Airport access. Additionally, the capital program seeks to enhance safety, customer service, cost savings and revenue opportunities.

1.3.1 Estimated Costs

The Authority's current five-year capital program (the "Capital Program") includes projects to be completed in FY 2018 through FY 2022 at an estimated cost of $1.2 billion. The Capital Program includes, among other projects, the new Terminal 2 Parking Plaza (consisting of a three-story public parking structure containing approximately 2,900 additional parking spaces, located across from Terminal 2), a new Federal Inspection Services (FIS) facilities, and various other airfield, terminal and landside projects. The projects within the Capital Program that are estimated to cost over $20.0 million are described below. Together, these projects comprise approximately $829.3 million of the $1.2 billion Capital Program.

Terminal 2 West FIS Buildout: $229.5 million

Construction of a new, 130,000 square-foot FIS to accommodate increased demand by improving the aircraft parking positions, introducing an independent gate environment for international flights, and enhancing the processing experience for passengers with reduced wait times. Features of the new facility include a second baggage claim and more queuing space in the lower level reclaim hall, as well the newest processing technologies introduced by Customs and Border Protection. The New FIS will be able to process 1,000 passengers per hour compared to the 350 per hour in the current FIS. Phase 1 of this project will open in the Summer of 2018.

Terminal 2 West Parking Plaza: $127.8 million

Construction of a three-story Parking Plaza with approximately 2,900 parking stalls in front of Terminal 2. When it opens in summer 2018, the Parking Plaza will provide a net increase of nearly 1,700 parking stalls over today's surface parking. The Parking Plaza will enhance customer service by integrating state-of-the-art parking technology that will enhance the ability of customers to find available parking spaces, reserve spaces in advance, and streamline payment.

Fuel Rack Relocation/Hydrant Fueling: $51.4 million

Relocation of six truck fueling stations to two new locations: one near Terminal 2 West and one near Liberator Way. Additionally, this project will extend hydrant fueling lines to new FIS Gates 47 – 51 and provide gate hydrant fueling. This will provide greater fueling efficiency for larger aircraft used on international flights.

Stormwater/Condensate Reuse: $50.2 million

Construct facilities for the collection and treatment of stormwater and potential reuse for irrigation, cooling tower, terminal gray water, and Rental Car Center car wash facilities. Retention of 100% of stormwater is a regulatory requirement.

Northside Remain Overnight (RON) Parking – Phase 1: $40.4 million

Construction of five new Group III Remain Overnight concrete parking positions, which will enable access to the existing cargo facilities while the new North Cargo Facility is being constructed.

Construct Taxiway "A": $36.9 million

Construction of a new taxiway to provide simultaneous opposing direction taxi traffic on Taxiway B, as well as providing access to terminal facilities planned under the Airport Development Plan (ADP).

Rehabilitate Runway 9/27: $33.9 million

Rehabilitation of Runway 9/27, with a three-inch mill and overlay of the runway pavement, to extend the useful life of the airfield. Safety for night operations will be enhanced by replacing current incandescent lighting with LED lights.

Facilities Maintenance Department Shops, Storage & Offices: $33.3 million

Construction of a new Facilities Maintenance Department campus on the Northside. The project includes seven shop buildings, 12 portable trailers, storage containers, offices, a warehouse, and parking.

Airline Provisioning and Belly Cargo: $32.2 million

Construction of new airline provisioning and cargo facilities on the Southside, to include airfield paving and fencing, parking, and a new multi-use building.

Airline Maintenance Facility: $31.0 million

Construction of a facility on the Northside, with airfield access, to service airline support equipment. The project includes an industrial building, a parking lot, utilities, lighting, and fencing.

Bus Parking, Propane/CNG Rack & Ground Transportation Operations: $30.7 million

Relocation of bus parking and ground transportation operations to the Northside. The project includes new asphalt paving, service buildings, and a fueling facility.

Relocate Taxiway "B": $30.0 million

Relocate Taxiway "B" in order to provide standard separation clearance for Group V aircraft. This improves airfield safety by eliminating the need for mid-field runway crossings by larger aircraft when taxiing.

Replace/Refurbish Passenger Boarding Bridges: $29.4 million
Evaluate and update current condition assessment and refurbish or replace 38 bridges phased over a four-year period in order minimize impact to operations.

Airline Relocations at Terminal 1 West and Terminal 2 East: $25.0 million
Relocation of domestic carriers in Terminal 1 West and Terminal 2 East, reconfiguration of back offices, construction of a new baggage service office and additional checkpoint lane in Terminal 2 East.

Northside Utility Infrastructure (Phase 2): $24.3 million
Construction of new common site infrastructure: utilities (water, sewer, gas, electric, and communications), roads, exterior lighting, AOA gate and fencing. This will support new facilities including Airline Maintenance, Busing Operations, Airport Parking, and Northside Cargo.

Northside Remain Overnight Parking – Phase II: $23.3 million
Construct three new Group III Remain Overnight concrete parking positions. This phase is to be constructed after cargo operators occupy the new North Cargo Facility.

The estimated costs of the Capital Program by fiscal year, and grouped by cost center, are presented on Table 1-1.

Table 1-1: Estimated Capital Program Costs

	Prior to	Fiscal Years Ending June 30						
	June 30, 2017	2017	2018	2019	2020	2021	2022	Total
Terminal								
Replace/Refurbish Boarding Bridges	$0	$1,274,407	$1,200,000	$21,360,593	$5,565,000	$0	$0	$29,400,000
Airline Relocation T1W, T2E	-	500,000	14,900,000	9,599,900	100	-	-	25,000,000
HVAC Modernization	-	3,098,548	15,897,269	150,000	-	-	-	19,145,817
ADP Projects	-	-	11,161,661	501,862	-	-	-	11,663,523
Other Terminal Projects	6,865,047	11,313,482	41,986,849	17,019,156	4,380,200	336,262	-	81,900,996
Total Terminal	$6,865,047	$16,186,437	$85,145,779	$48,631,511	$9,945,300	$336,262	$0	$167,110,336
Landside								
Terminal 2 West Parking Plaza	8,848,175	35,778,582	65,493,495	17,679,749	-	-	-	127,800,001
North Side Utility Infrastructure (Phases 1 & 2)	17,665,814	149,145	8,500,000	15,779,700	-	-	-	42,094,659
Bus Parking, Propane/CNG Rack, GT Ops	-	-	3,200,000	27,499,550	-	-	-	30,699,550
Terminal Link Road	16,011,029	586,235	-	-	-	-	-	16,597,264
ADP Projects	-	-	4,422,552	193,023	-	-	-	4,615,575
Other Landside Projects	18,161,557	14,178,845	33,869,708	12,466,247	1,016,000	1,490,600	163,220	81,346,177
Total Landside	$60,686,575	$50,692,807	$115,485,755	$73,618,269	$1,016,000	$1,490,600	$163,220	$303,153,227
Airside								
Fuel Rack Relcoation & Hydrant Fueling FIS Gates	-	-	8,600,000	17,100,000	17,100,000	8,633,275	-	51,433,275
Stormwater/Condensate Reuse	-	-	10,300,000	36,300,000	3,596,850	-	-	50,196,850
Northside RON Parking - Phase I	-	-	21,600,000	18,765,850	-	-	-	40,365,850
Construct Taxiway A (2021-22)	-	-	-	-	200,000	3,400,000	33,300,000	36,900,000
Rehabilitate Runway 9-27 Wing / Keel Pavement	4,989	1,420,318	21,482,363	10,992,330	-	-	-	33,900,000
Airline Provisioning & Belly Cargo	-	-	11,100,000	16,000,000	5,085,810	-	-	32,185,810
Airline Maintenance Facility	-	-	2,900,000	27,500,000	622,705	-	-	31,022,705
Relocate Taxiway B Phase II	-	-	-	-	-	200,000	29,800,000	30,000,000
Northside RON Parking - Phase II	-	-	5,200,000	18,082,300	-	-	-	23,282,300
Rehabiltate Cross Taxiways (B - C) & CT Apron	5,439	855,510	11,740,000	6,199,051	-	-	-	18,800,000
Rehab Terminal 2 Apron Pavement (2019-20)	-	-	-	1,395,000	10,217,670	4,976,530	-	16,589,200
ADP Projects	-	-	1,807,764	77,209	-	-	-	1,884,973
Other Airside Projects	4,184,379	6,281,920	28,888,854	26,473,127	3,624,581	-	1,723,450	71,176,312
Total Airside	$4,194,807	$8,557,748	$123,618,982	$178,884,867	$40,447,616	$17,209,805	$64,823,450	$437,737,275
Ancillary								
T2W FIS Build-Out	-	16,105,851	117,891,000	90,919,485	4,557,878	-	-	229,474,214
Other Ancillary Projects	33,667	238,519	2,084,664	15,826,167	438,230	-	-	18,621,247
Total Ancillary	$33,667	$16,344,370	$119,975,664	$106,745,652	$4,996,108	$0	$0	$248,095,461
Administrative								
Facility Maint. Dept Shops, Storage and Offices	-	-	2,600,000	27,800,000	2,928,350	-	-	33,328,350
Other Administrative Projects	3,162,661	3,055,322	11,411,302	-	-	800,000	-	18,429,284
Total Administrative	$3,162,661	$3,055,322	$14,011,302	$27,800,000	$2,928,350	$800,000	$0	$51,757,634
Total Costs	$74,942,757	$94,836,683	$458,237,481	$435,680,299	$59,333,375	$19,836,667	$64,986,670	$1,207,853,932

Source: Authority records.

1.3.2 Funding Plan

The estimated funding sources of the Capital Program, presented on Table 1-2, are the following:

- The Series 2017 Bonds (approximately $321.0 million in project funding). The major projects to be funded with the Series 2017 Bonds are the Terminal 2 West Parking Plaza (included in the Landside cost center) and the Terminal 2 West FIS Buildout (included in the Ancillary cost center).

- Future General Airport Revenue Bonds (GARBs) anticipated to be issued in the second half of calendar year 2018 (the "Series 2018 Bonds"). The Authority anticipates funding approximately $353.2 million in capital costs with the Series 2018 Bonds. The estimated debt service is included in the financial analysis presented in Section 4.

- Authority funds. Authority funds are those moneys generated from Airport operations and available after all of the Authority's financial obligations pursuant to the flow of funds specified in the Master Senior Indenture and the Master Subordinate Indenture are satisfied. The Airline Agreement allows the Authority to include amortization charges in the airline rates and charges to reimburse the Authority for capital project costs paid from Authority funds. The financial analysis in Section 4 incorporates the amortization charges projected to be incorporated into the airline rate base, as projects funded with Authority funds are completed. The Authority plans to apply approximately $296.1 million in Authority funds to the Capital Program.

- Passenger Facility Charges ("PFCs"). The Port District initially received approval from the FAA to impose a $3.00 PFC at SAN. The approval for the PFC was transferred by the FAA to the Authority, effective January 1, 2003. On May 20, 2003, the FAA approved the Authority's PFC application to increase the charge per enplaned passenger from $3.00 to $4.50 beginning August 1, 2003. The Authority has received approval from the FAA, pursuant to eight separate applications (five of which were later amended by the Authority, with the approval of the FAA), to collect and use a PFC on each enplaning passenger at SAN totaling approximately $1.549 billion. The Authority's funding plan includes approximately $88.4 million in PFCs to be applied to eligible project costs in the Capital Program.

- FAA Airport Improvement Program ("AIP") grants, including AIP entitlement grants and AIP discretionary grants. AIP entitlement funds are apportioned by formula each year to individual airports or types of airports. AIP discretionary funds are awarded by the FAA based on eligible projects' priority as determined by the FAA through the application of its National Priority System ("NPS"). The NPS uses a combination of quantitative and qualitative factors to evaluate projects with highest priority given to projects to enhance airport safety and security. The funding plan for the Authority's capital program incorporates approximately $54.2 million in AIP entitlement and discretionary funds for eligible project costs.

- Other sources, as follows:

- Prior bond proceeds (approximately $11.7 million), which were spent on capital costs incurred prior to June 30, 2017.
- Customer Facility Charges (CFCs). The rental car companies that operate at SAN collect and remit to the Authority a per-day CFC (up to a maximum of five days). In accordance with a multi-year CFC rate schedule, the daily CFC rate increased from $6.00 to $7.50 beginning January 1, 2014 and to $9.00 beginning January 1, 2017. The CFC collections are being used to pay debt service on the special facility bonds that were issued in 2014 to finance the Rental Car Center (RCC) and the cost of other capital projects related to the RCC, including the common use transportation system. The funding plan includes approximately $61.3 million in CFC funding for capital projects related to the RCC, including roadway and infrastructure improvements. The CFC funding includes proceeds from the special facility bonds issued in 2014 (which were all expended prior to June 30, 2017).
- The Authority is applying for electric energy grants to fund electrical vehicle supply equipment. The grants are anticipated to be awarded under the funding that the car maker Volkswagen is required to provide in California to support zero-emission vehicles with charging stations and other promotional efforts such as advertising about the benefits of electric cars. The funding is part of a larger settlement negotiated by state and federal officials as a result of the Volkswagen diesel emissions lawsuit. The Authority estimates receiving approximately $7.4 million in grant funding for eligible costs.
- Budget savings resulting from project bid amounts that have totaled approximately $14.3 million less than the original project budget.

As mentioned above, the major projects to be funded with the Series 2017 Bonds are the Terminal 2 West Parking Plaza and the Terminal 2 West FIS Buildout. Figure 1-1 presents an aerial view of the Airport, and indicates the location of the Terminal 2 Parking Plaza. Figure 1-2 displays a diagram of the layout of the Terminal 2 Parking Plaza. A rendering of the exterior of the Terminal 2 West FIS Buildout is depicted on Figure 1-3.

Table 1-2: Estimated Capital Program Funding Sources

Cost Center	Series 2017 Bonds	Series 2018 Bonds [1]	Authority Funds	PFCs [2]	AIP Grants	Other Sources [3]	Total
Terminal	$10,000,000	$11,866,875	$126,932,524	$12,751,495	$3,000,000	$2,559,441	$167,110,335
Landside	130,000,000	59,529,155	40,437,719	-	-	73,186,353	303,153,227
Airside	32,027,640	230,371,763	69,422,243	35,697,478	51,200,000	19,018,150	437,737,274
Ancillary	149,000,000	18,138,230	40,957,231	40,000,000	-	-	248,095,461
Administrative	-	33,328,350	18,429,284	-	-	-	51,757,634
Total	$321,027,640	$353,234,374	$296,179,001	$88,448,973	$54,200,000	$94,763,944	$1,207,853,931

[1] Future Senior Lien bonds anticipated to be issued in the second half of calendar year 2018.
[2] PFCs anticipated to be applied on a Pay-As-You-Go basis.
[3] This funding category includes proceeds of previously issued bonds; Customer Facility Charges (CFCs); anticipated electric energy grants to fund electrical vehicle supply equipment; and anticipated budget savings.

Figure 1-1: San Diego International Airport

Figure 1-2: Layout of Terminal 2 Parking Plaza

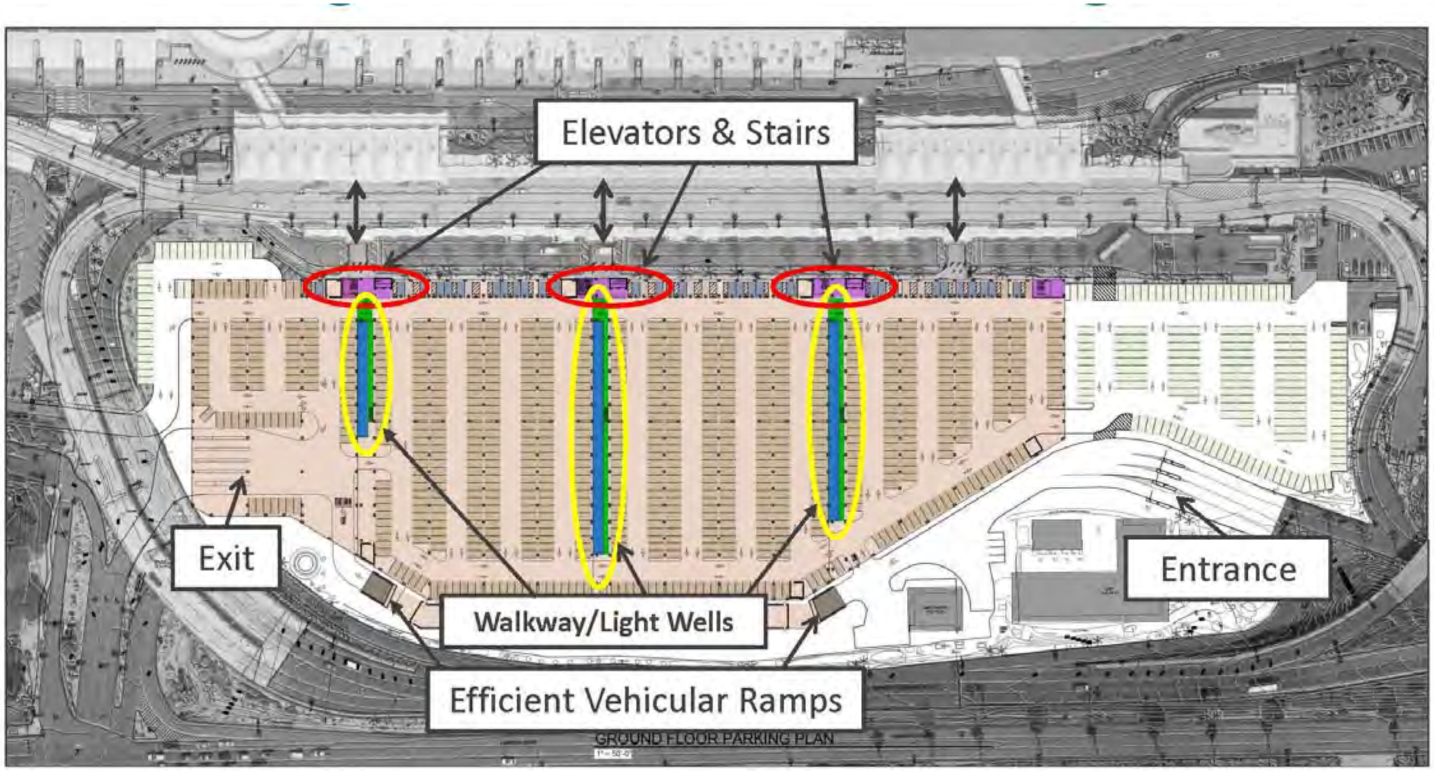

Figure 1-3: Terminal 2 West FIS Buildout

Section 2 Economic Base

Demographic and economic trends influence the demand for air travel at SAN, which largely serves origin and destination (O&D) passenger traffic.[2] Economic trends in the Airport's air service area and in California contribute to the area's ability to generate local demand for air travel and to draw visitors to the region. National trends in the economy also contribute to the growth in the Airport's passenger traffic: (1) they determine demand for air travel nationwide (particularly for leisure travel, which is a significant driver for SAN's passenger traffic; and (2) they influence regional demographic and economic trends. This section discusses relevant demographic and economic trends in the Airport service area, California and the United States. It also provides an assessment of the outlook for the air service area, California and national economies.

The Airport's air service area is the San Diego-Carlsbad, CA, Metropolitan Statistical Area (the San Diego MSA), which consists of San Diego County. The San Diego MSA and the entire state of California have been growing rapidly since the mid-2000s. Suffering only a mild setback from the most recent national recession in 2008-2009 (the "Great Recession"), the San Diego MSA and California economies have been outperforming the national economy. Both the San Diego MSA and California economies are expected to continue growing, driven by technology firms and the following industry sectors: education and health services, leisure and hospitality, and professional and business services.

The San Diego MSA has a diverse population of 3.3 million people that, on average, are relatively younger, more highly educated, and more affluent than the rest of the nation. San Diego's population is the nation's 17th largest among MSAs and the fifth largest among counties. San Diego's $220 billion economy is also diverse, with no one industry sector making up more than 17 percent of employment, and forward looking, with a large footprint in biotech and other innovative industries. If San Diego were a state, its large economy would rank 26th in the nation. All these attributes help position San Diego for continued prosperity.[3]

2.1 Air Service Area

The San Diego MSA is located in Southern California, adjacent to the U.S.-Mexico border (Figure 2-1).[4] This location makes the San Diego MSA ideal for international commerce and business on the west coast. Covering 4,526 square miles, the MSA includes the following cities: Carlsbad, Chula Vista, Coronado, Del Mar, El Cajon, Encinitas, Escondido, Imperial Beach, La Mesa, Lemon Grove, National City, Oceanside, Poway, San Diego, San Marcos, Santee, Solana Beach and Vista. The MSA's two principal cities are San Diego and Carlsbad.

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[2] O&D passenger traffic refers to passenger trips originating or ending at the airport.
[3] Ray Major, "It's not 2016 anymore…," *The San Diego Union Tribune*, February 19, 2017.
[4] Office of Management and Budget, "Revised Delineations of Metropolitan Statistical Areas, Micropolitan Statistical Areas, and Combined Statistical Areas, and Guidance on Uses of the Delineations in These Areas," OMB Bulletin No. 13-01, February 28, 2013, <http://www.whitehouse.gov/sites/default/files/omb/bulletins/2013/b-13-01.pdf>.

Figure 2-1: California County Map and the San Diego-Carlsbad MSA

Source: Unison Consulting, Inc.

Located in downtown San Diego, SAN is the only major commercial service airport within the San Diego MSA. McClellan-Palomar Airport ("CRQ"), which is located 34 miles north of SAN in Carlsbad (within the San Diego MSA), is designated as a commercial service airport, but it has not had scheduled passenger service since January 2016. CRQ mainly provides air taxi and general aviation service. Outside the San Diego MSA, there are eight U.S. airports that provide commercial service located within 150 road miles (a two- to three-hour drive), as shown on Figure 2-2 and Table 2-1. The closest is John Wayne Airport ("SNA") in Orange County, California (87 road miles from SAN). SNA is a smaller airport than SAN, both in airport capacity (it has capacity constraints) and passenger traffic. Further north in Los Angeles County is the Los Angeles International Airport (LAX), Southern California's largest commercial airport and California's largest international gateway. The other U.S. commercial service airports within 150 road miles of SAN with reported enplaned passengers in 2016 are Ontario International Airport, Burbank Bob Hope Airport, Long Beach Airport, and Palm Springs International Airport. Imperial County Airport has scheduled passenger service provided by one commuter airline, with flights to LAX.[5] Effective June 29, 2017, San Bernardino International Airport will have scheduled commercial service provided by Volaris, with flights to Guadalajara, Mexico.

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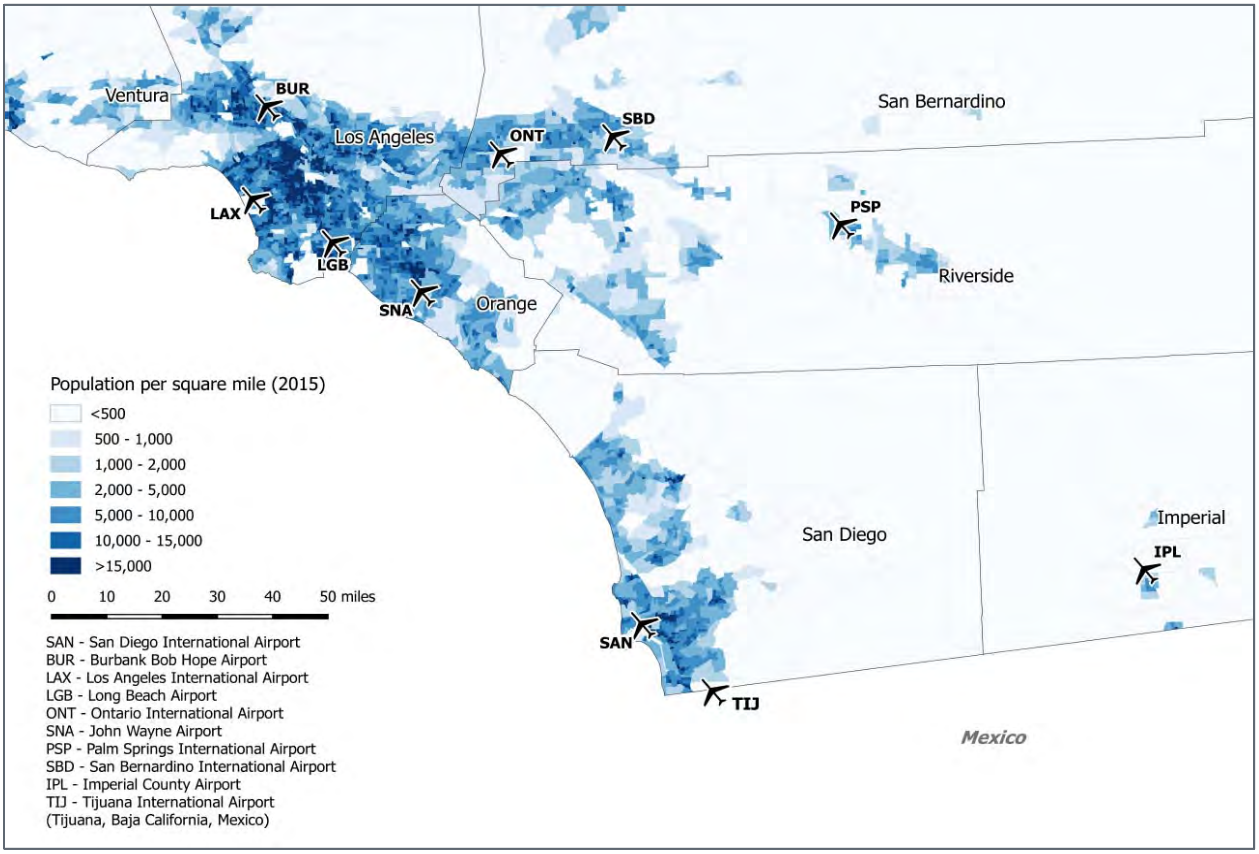
[5] No enplanements were reported to the FAA for Imperial County Airport in 2016, possibly because the activity was below the minimum reporting requirement.

Figure 2-2: Commercial Service Airports Within 150 Road Miles of SAN



Sources: Unison Consulting, Inc. Population by census tract obtained from U.S. Census Bureau's American Community Survey, 2015 estimates.

Table 2-1: U.S. Commercial Service Airports Within 150 Road Miles of SAN

Airport	CY 2016 Enplanements (Thousands) [1]	City	State	Distance from SAN: Miles	Distance from SAN: Drive Time
Los Angeles International Airport	40,566	Los Angeles	CA	125	2 hours, 10 minutes
John Wayne Airport	5,244	Santa Ana	CA	89	1 hour, 35 minutes
Ontario International Airport	2,123	Ontario	CA	115	2 hours
Burbank Bob Hope Airport	2,070	Burbank	CA	134	2 hours, 40 minutes
Long Beach Airport	1,428	Long Beach	CA	106	1 hour, 55 minutes
Palm Springs International Airport	1,002	Palm Springs	CA	144	2 hour, 20 minutes
Imperial County Airport [2]	--	Imperial	CA	119	2 hours
San Bernardino International Airport [3]	--	San Bernardino	CA	111	1 hour, 55 minutes

[1] In comparison, SAN had approximately 10,350 enplanements in CY 2016.
[2] Mokulele Airlines provides commuter airline service to LAX. However, the Imperial County Airport website does not report enplanement statistics, and no enplanements were reported to the FAA in 2016 (possibly because the activity was below the minimum reporting requirement).
[3] Volaris is scheduled to begin commercial service to Guadalajara, Mexico on June 29, 2017.
Sources: Enplanements obtained from statistical reports posted on the airports' respective websites; distance and drive time estimates obtained from Google Maps.

Tijuana Rodriguez International Airport (TIJ). located 24 miles south of SAN, in Tijuana, Mexico, primarily serves the Mexican domestic market.[6] In December 2015, the Cross Border Express (CBX) opened. The CBX is an enclosed pedestrian skybridge connecting a facility on the U.S. side of the border with the main TIJ passenger terminal (located on the Mexican side of the border). The skywalk is only accessible to ticketed TIJ passengers who have boarding passes for flights departing within 24 hours or having arrived within 2 hours. Passengers arriving from Mexico are required to go through U.S. Customs & Border Protection, and passengers traveling to Mexico are required to pass through Mexican Customs & Border Protection. In FY 2016, enplaned passengers who flew from SAN to destinations in Mexico (approximately 128,000) represented approximately 1.25 percent of total SAN enplaned passengers. Although sufficient statistics are not yet available to fully evaluate the effect of CBX on the level of air traffic from SAN to destinations in Mexico, the effect on total enplanements at SAN is likely not significant, as discussed more fully in Section 3.

2.2 Population

The San Diego MSA population offers a large and rapidly growing market for air travel. With a population of 3.3 million in 2016, it was the fourth largest MSA in California (Table 2-2) and the seventeenth largest in the country—larger than the metropolitan areas of Tampa, Denver and St. Louis. Since 2000, the MSA's population has grown an average of 1 percent a year, slightly faster than the national population growth rate of 0.9 percent per year. California's population growth rate over the same period averaged 0.9 percent per year, slightly slower than the San Diego MSA's pace. Between 2000 and 2016, the San Diego MSA population increased 17 percent, compared with 15 percent for the state of California and 15 percent for the United States (Figure 2-3).

In 2016, the San Diego MSA population accounted for 8.5 percent of the state population. The San Diego MSA is the fourth largest MSA in the state —behind the Los Angeles, San Francisco and Riverside MSAs.

San Diego County has the second highest county population in California, after Los Angeles County and the fifth largest in the United States (Figure 2-4).

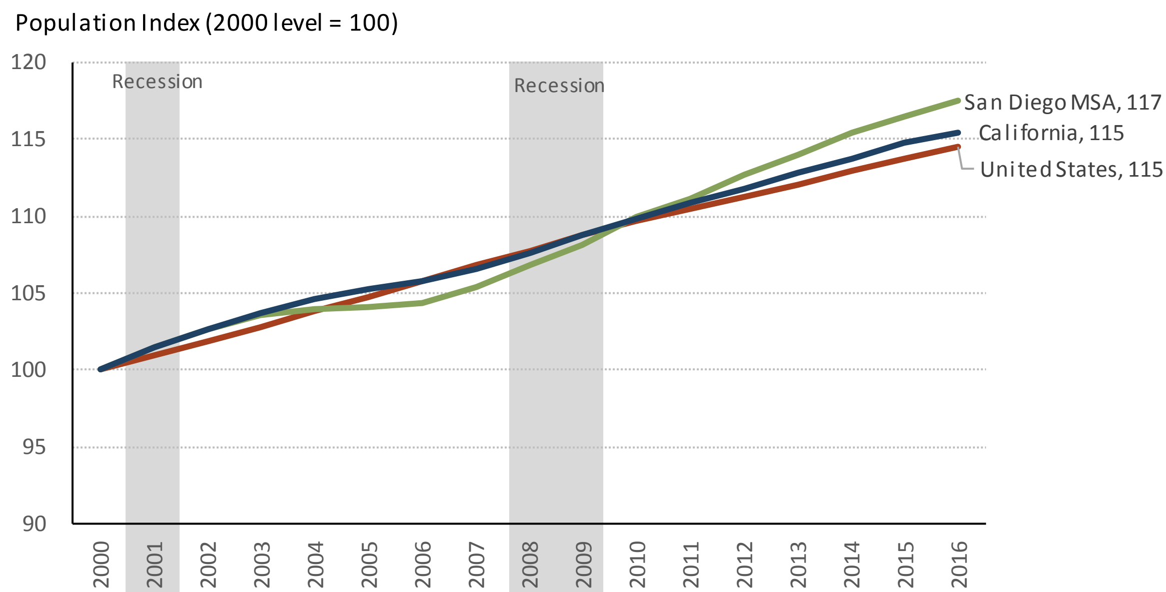
[6] According to statistics published by GOBmx, more than 98.6 percent of TIJ's FY 2016 passenger traffic was domestic Mexican traffic. Of the international passenger traffic, approximately 71 percent of passengers from TIJ flew to Shanghai, China and 25 percent flew to Oakland, California. TIJ also serves as a refueling stop for flights from Mexico City to Japan.

Table 2-2: California State and MSA Population (2016)

Area	Population	State Rank
California State Total	39,250,017	-
Los Angeles-Long Beach-Santa Ana MSA	13,310,447	1
San Francisco-Oakland-Fremont MSA	4,679,166	2
Riverside-San Bernardino-Ontario MSA	4,527,837	3
San Diego-Carlsbad-San Marcos MSA	**3,317,749**	**4**
Sacramento-Arden-Arcade-Roseville MSA	2,296,418	5
San Jose-Sunnyvale-Santa Clara MSA	1,978,816	6
Fresno MSA	979,915	7
Bakersfield MSA	884,788	8
Oxnard-Thousand Oaks-Ventura MSA	849,738	9
Stockton MSA	733,709	10

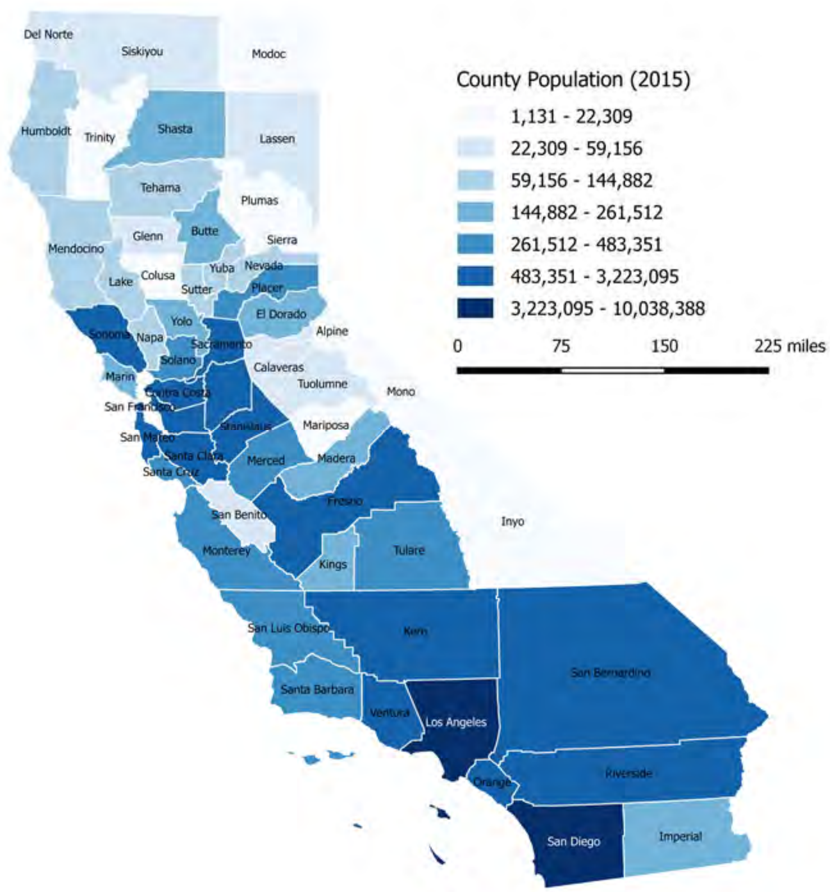
Source: U.S. Census Bureau mid-year population estimates.

Figure 2-3: Population Growth



Source: U.S. Census Bureau mid-year population estimates.

Figure 2-4: California County Population Map, 2015



Sources: Unison Consulting, Inc. Population and U.S. Census Bureau's American Community Survey, 2015 population estimates.

Approximately 23 percent of the San Diego MSA population is foreign born.[7] Foreign born individuals from Mexico represent the largest share of the total foreign born population in the MSA (45 percent), and they represent approximately 11 percent of the total San Diego MSA population. The next largest group of immigrants is the group of foreign born individuals from Asia, representing approximately 37 percent of total foreign born individuals and 9 percent of the total San Diego MSA population. Immigrants from Europe constitute approximately 8 percent of total foreign born individuals, and 2 percent of the total San Diego MSA population. The significant percentage of foreign born individuals in the San Diego MSA may explain at least part of the

[7] Migration Policy Institute tabulation of data from the U.S. Census Bureau's pooled 2011-2015 American Community Survey. The terms "foreign born" or "immigrant" refer to individuals residing in the U.S. who were not U.S. citizens at birth.

demand for international travel at SAN. However, as discussed above, enplaned passengers who fly from SAN to destinations in Mexico (the country of origin for 45 percent of all foreign born individuals in the San Diego MSA) represent a very small percentage of total SAN enplanements (1.25 percent in FY 2016). This is likely due to the lower airfares at TIJ, which provide an incentive for individuals traveling to destinations in Mexico to start their trip from TIJ.

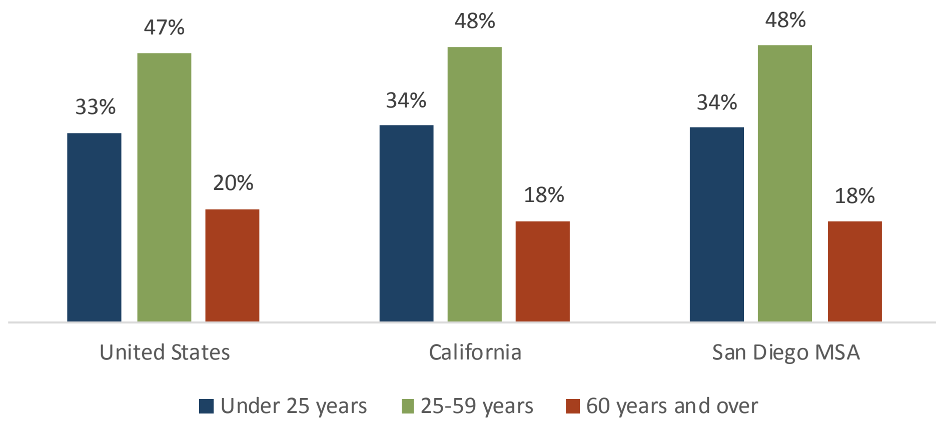
The San Diego MSA and the Mexican municipalities of Tijuana, Rosarito Beach, and Tecate comprise an international metropolitan region that spans the U.S.-Mexico border. The region's 2015 population totaled approximately 5.0 million, with 3.3 million people in the San Diego MSA and 1.7 million people on the Mexican side of the border.[8] The region's total population makes it one of the largest shared metropolitan areas between the U.S. and another country, second only to the Detroit-Windsor region that spans the U.S.-Canada border. Data from the U.S. Department of Transportation and the U.S. Department of Homeland Security show that in 2015 there were approximately 39.7 million person trips across the U.S.-Mexico border (by bus, train, or personal vehicle) utilizing the three Ports of Entry[9] between the San Diego MSA and the adjacent municipalities in Mexico.[10] In March 2017 the mayors of San Diego and Tijuana signed a memorandum of understanding that pledged to strengthen cooperation between the two cities. The cross border traffic and the close economic and cultural ties between the San Diego MSA and the adjacent Mexican municipalities are indications of the economic vitality of the international metropolitan region.

2.3 Age Characteristics

The age distribution of the San Diego MSA population is similar to the age distribution of the state of California population. Compared to the nation's population, the San Diego MSA's population is younger, with a greater proportion of its population under 25 and a smaller proportion that are 60 and older (Figure 2-5). This is one advantage that may help the San Diego MSA economy continue growing faster than the national economy.

[8] Based on data from US Census Bureau and CONAPO (Consejo Nacional de Población, gob.mx).
[9] The following three Ports of Entry provide access between the San Diego MSA and the adjacent municipalities in Mexico: San Ysidro, Otay Mesa, and Tecate.
[10] From the U.S. Department of Transportation, Bureau of Transportation Statistics, Border Crossing/Entry Data; and data from U.S. Department of Homeland Security, Customs and Border Protection, OMR database.

Figure 2-5: Population Age Distribution, 2011-2015



Source: U.S. Bureau of the Census, 2011-2015 American Community Survey 5-Year Estimates.

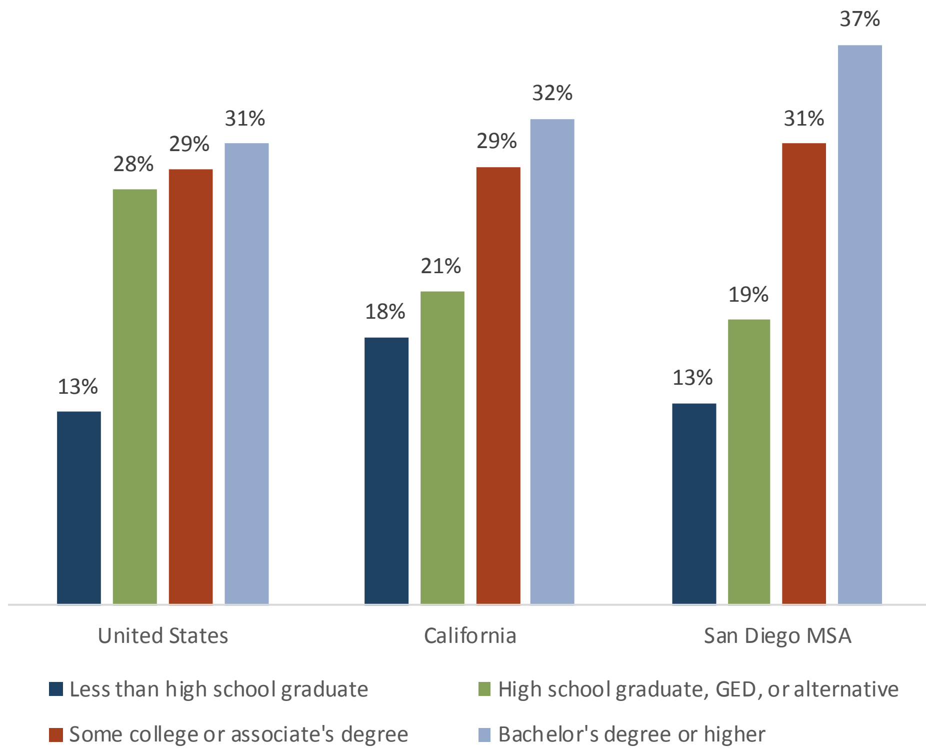
2.4 Educational Attainment

A well-educated work force is important for economic diversification and long-term growth. Well-educated populations adapt better to changing skill requirements, while driving innovation and productivity.[11] One study shows that areas with higher education attainment have higher productivity.[12] Areas with higher educational attainment also tend to have higher incomes and greater employment levels.[13] They attract fast-growing knowledge-based industries that bring high-income jobs—in turn, attracting highly educated workers.

Relative to the nation and the state, the San Diego MSA has a considerably higher share of college and graduate degree holders among residents 25 and older, and a lower share of residents with a high school diploma or less education (Figure 2-6).

[11] Enrico Moretti, *The New Geography of Jobs*, Houghton Mifflin Harcourt, 2012.
[12] J.R. Abel and T.M. Gabe, "Human capital and economic activity in urban America," *Regional Studies* 45(8), 2011, page 1079-1090.
[13] L. Wolf-Powers, *Predictors of Employment Growth and Unemployment in US Central Cities*, W.E. Upjohn Institute, 2013, <http://research.upjohn.org/up_workingpapers/199/>.

Figure 2-6: Educational Attainment of Population 25 Years and Older, 2011-2015



Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates.

Companies in knowledge-based industries prefer to locate in areas with a large pool of well-educated young workers, as do start-ups and young firms.[14] The San Diego MSA's higher education attainment levels likely exceed the state and nation because of the many technology and life sciences companies that attract highly educated and young workers to the area.

[14] Joe Cortright, "The Young and the Restless and the Nation's Cities," *CityReport*, October 2014, <http://cityobservatory.org/wp-content/uploads/2014/10/YNR-Report-Final.pdf>.

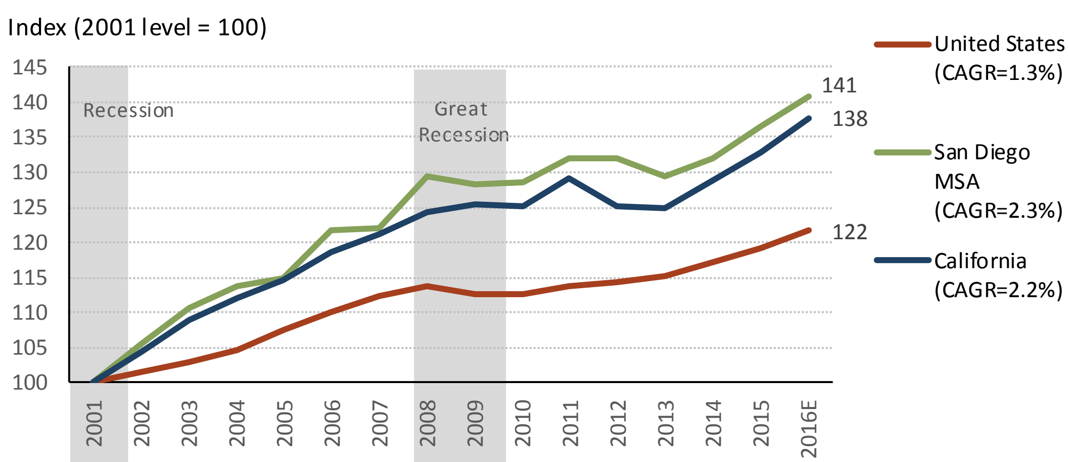
2.5 Labor Market

Trends in the labor market reflect business conditions and overall economic well-being—factors that influence the demand for air travel. Employment growth reflects the pace of economic growth. Employment typically decreases during an economic recession and increases during recovery and expansion. Employment needs to grow to raise living standards, boost consumer confidence, and increase consumer spending.

This sub-section reviews several key labor market indicators—number of business establishments, employment in all business establishments, civilian labor force, employed civilian labor force, and unemployment rate. All of these indicators show above-average growth in the MSA and in California since 2000.

Job creation begins with business development, which has progressed much more rapidly in the San Diego MSA and California than in the entire nation (Figure 2-7). The San Diego MSA has consistently exceeded or closely tracked the state in business establishment growth. In 2016, the number of business establishments in the San Diego MSA had increased 41 percent from 2001, above California's 38 percent increase and well ahead of the United States' 22 percent growth.

Figure 2-7: Growth of Business Establishments

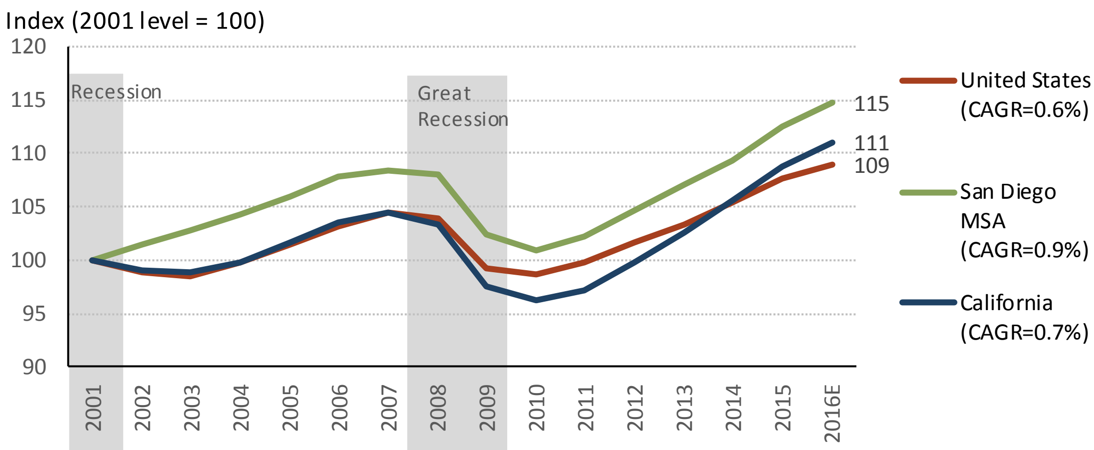


CAGR – Compound average growth rate
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.
The 2016 estimates are averages based on preliminary data through 2016Q3.

Figure 2-8 shows the trends in the number of jobs, which grew at a slower rate than the number of business establishments. Jobs are vulnerable to economic downturns; they decreased following the two recessions since 2001 and took a long time to recover after each recession.

From 2001 to 2016, job growth in the San Diego MSA and in California proceeded faster than national growth. The number of employees in all business establishments increased 15 percent in the MSA and 11 percent in California, faster than the 9 percent growth nationwide.

Figure 2-8: Growth in Number of Employees in All Business Establishments

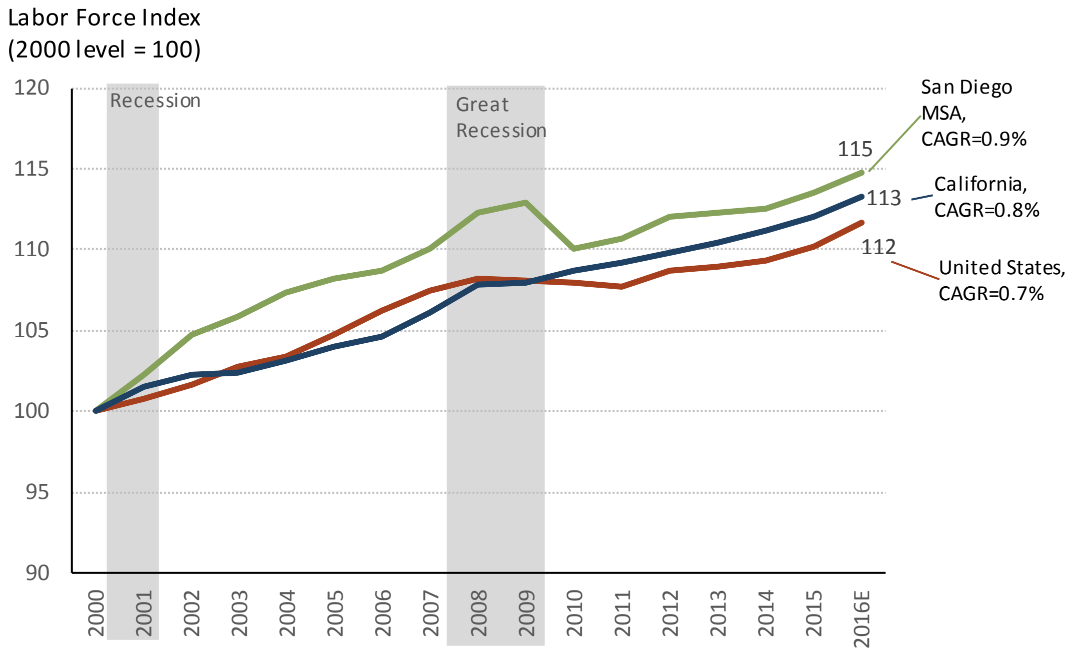


CAGR – Compound average growth rate
Source: U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages.
The 2016 estimates are averages based on preliminary data through 2016Q3.

Civilian labor force data complete the picture on the labor market conditions by tracking residents of working age (16 years and older), who are either employed, or unemployed but actively seeking employment. The data count all types of civilian employment, including agricultural, non-agricultural, and self-employment. They allow measurement of the unemployment rate, which is the proportion of the unemployed in the labor force.

People follow jobs, which have increased faster in the San Diego MSA and in California than in most other places in the nation. From 2000 to 2016, the labor force expanded 15 percent in the San Diego MSA and 13 percent in California, while expanding only 12 percent nationwide (Figure 2-9).

Figure 2-9: Civilian Labor Force

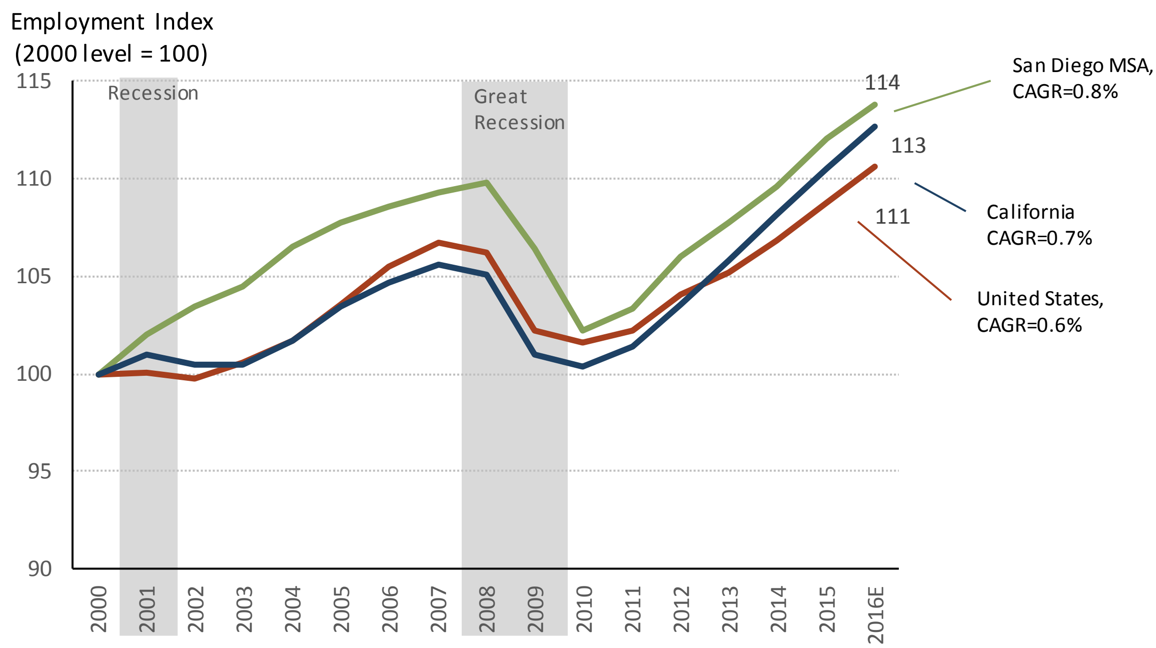


CAGR – compound average growth rate
Source: U.S. Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics.
For the San Diego MSA, the 2016 estimates are averages based on preliminary December data.

Figure 2-10 shows the trends in employment, counting members of the civilian labor force who are employed, from 2000 to 2016. Despite the drop in the employed labor force during the Great Recession, the San Diego MSA has consistently maintained higher rates of growth in its employed labor force level. From 2000 to 2016, employment increased 14 percent in the MSA and 13 percent in California, while increasing 11 percent nationally.

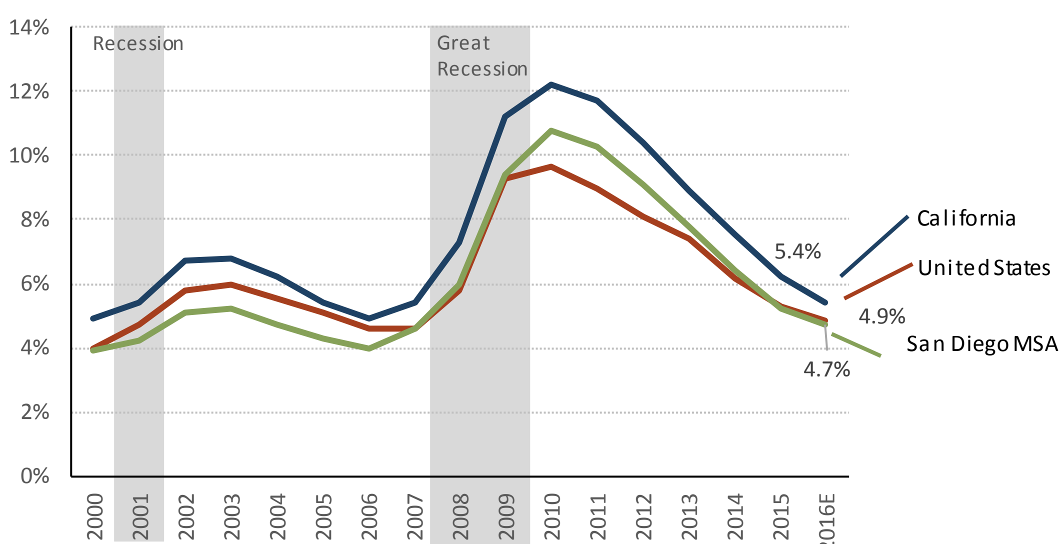
Overall, the San Diego MSA and state unemployment rates followed national trends—rising through the recessions and the early years of economic recovery. While California's unemployment rate has consistently exceeded the national unemployment rate since 2000, the San Diego MSA's unemployment rate has fallen below the national unemployment rate in most years, including the last two years (Figure 2-11).

Figure 2-10: Employed Civilian Labor Force



CAGR – compound average growth rate
Source: U.S. Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics.
For the San Diego MSA, the 2016 estimates are averages based on preliminary December data.

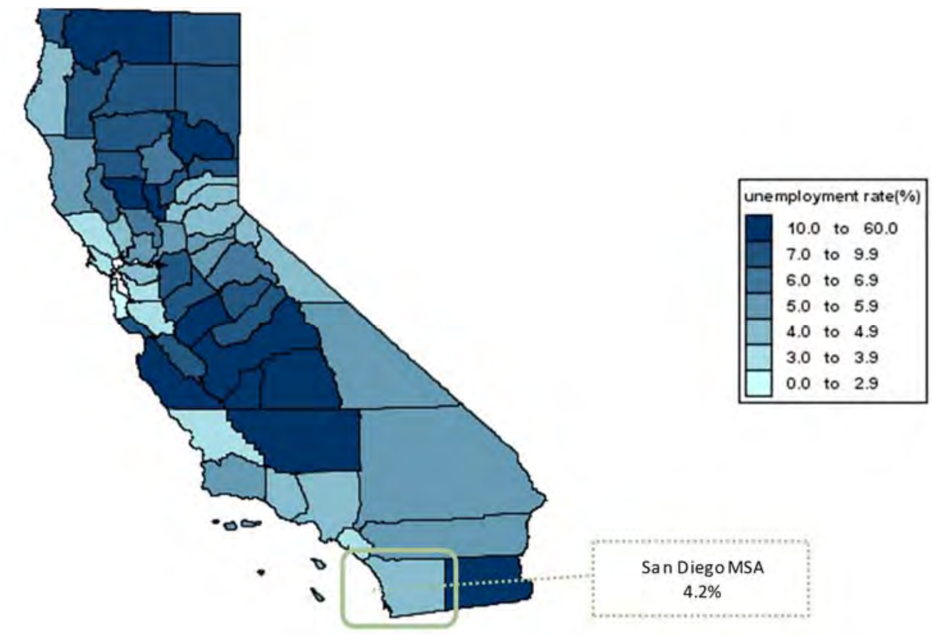
Figure 2-11: Unemployment Rate



Source: U.S. Bureau of Labor Statistics, Current Population Survey and Local Area Unemployment Statistics.
For the San Diego MSA, the 2016 estimates are averages based on preliminary December data.

In 2017, the San Diego MSA continues to enjoy lower unemployment rates than the state and the nation. Figure 2-12 shows that the San Diego MSA's unemployment rate was 4.2 percent in February 2017—lower than the national unemployment rate of 4.7 percent or the statewide unemployment rate of 5 percent in the same month. San Diego's unemployment rate was lower than the unemployment rates in most other counties in California.

Figure 2-12: California County Unemployment Rate Map, February 2017

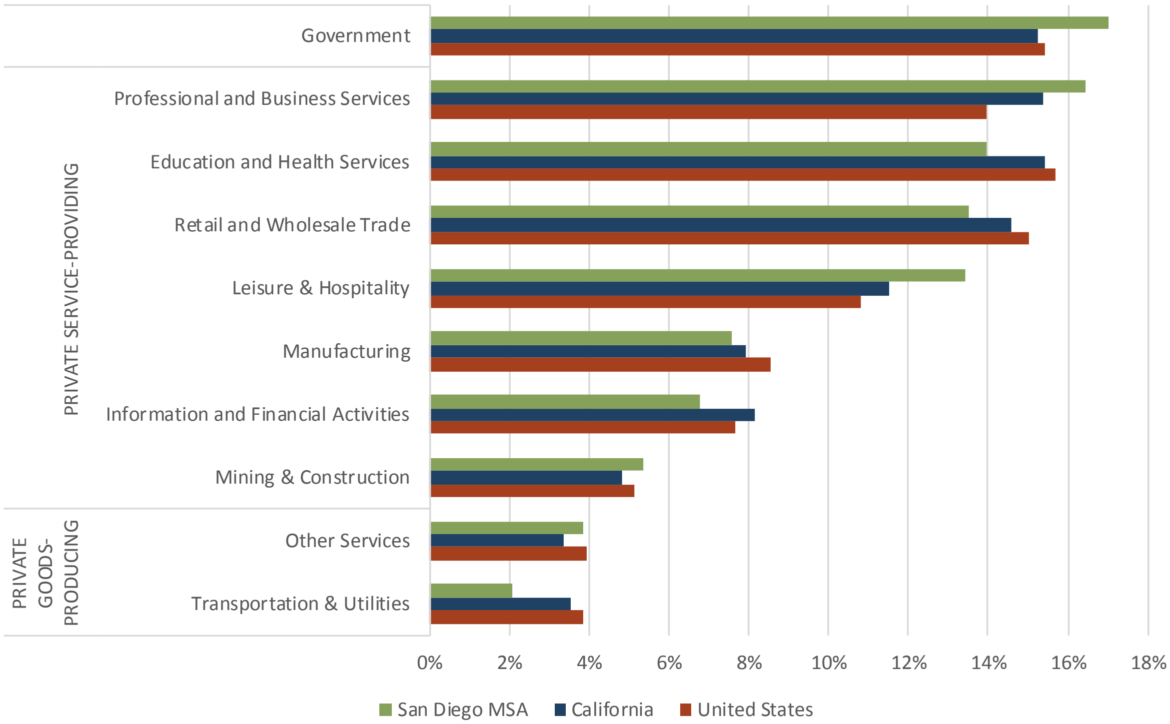


Source: U.S. Bureau of Labor Statistics, *Unemployment Rate by State*, not seasonally adjusted, February 2017.

2.6 Employment by Industry

Figure 2-13 shows that employment in the San Diego MSA is spread among a number of industries. Compared to the nation, however, the San Diego MSA has much larger employment concentrations in the following: *professional and business services*; *government; education and health services;* and *leisure and hospitality*. The San Diego MSA has lower employment concentrations in the following: *information and financial activities*; *manufacturing;* and *transportation and utilities*.

Figure 2-13: Employment Share by Industry



Source: U.S. Bureau of Labor Statistics.

The four largest industry sectors are *government* and three private service-providing sectors: *professional and business services*, *education and health services, and retail and wholesale trade*. In 2016, these four sectors accounted for 61 percent of nonfarm employment in the San Diego MSA and in California, while accounting for 60 percent of the nation's nonfarm employment.[15]

Since 2000, the three fastest growing industry sectors in the San Diego MSA have been *education and health services*, *leisure and hospitality*, and *professional and business service*s (Figure 2-14). The MSA has gained jobs in all but the following three industry sectors: *mining and construction*, *information and financial activities*, and *manufacturing*. Since 2010, however, these three sectors have been gaining jobs along with all the other sectors, indicating a broad-based employment recovery (Figure 2-15). Since 2010, *mining and constructio*n has replaced *education and health services* as the fastest growing industry sector in the San Diego MSA.

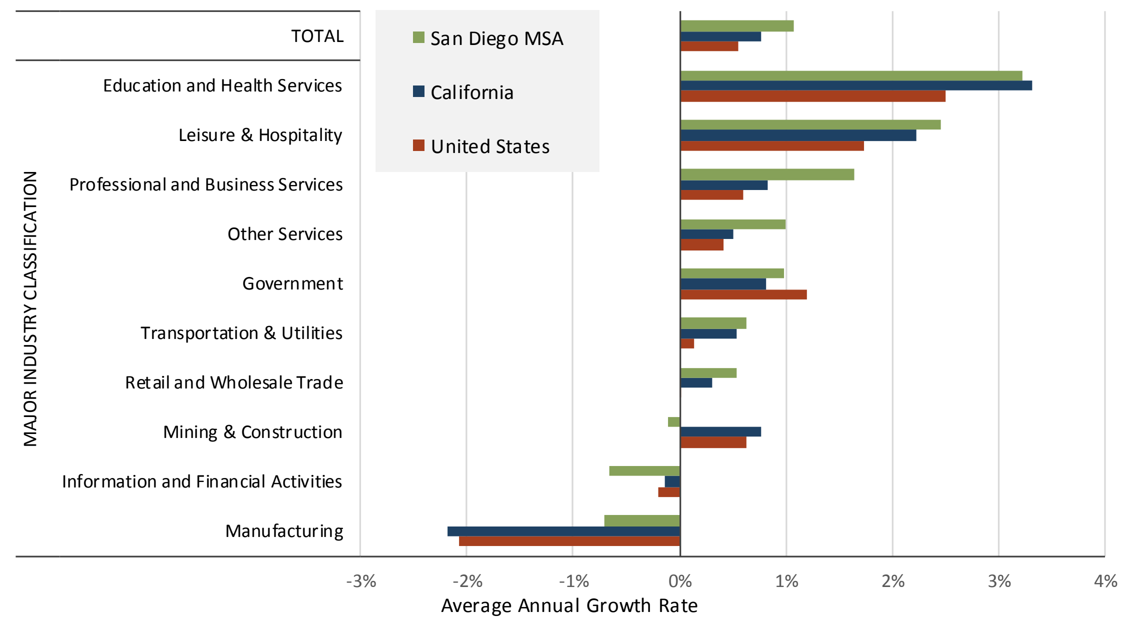
Manufacturing experienced the largest decline in employment since 2000 in the San Diego MSA, the state, and the nation. Manufacturing jobs have been moving to other countries where labor and other business costs are lower—a trend that began shortly after the North American Free Trade

[15] Government employment includes civilian workers within the Federal Government's Department of Defense. However, military personnel are not included in the data.

Agreement (NAFTA) of 1994 and has continued with global trade liberalization. However, the San Diego MSA has lost manufacturing jobs at less than half the rate of the state and the nation.

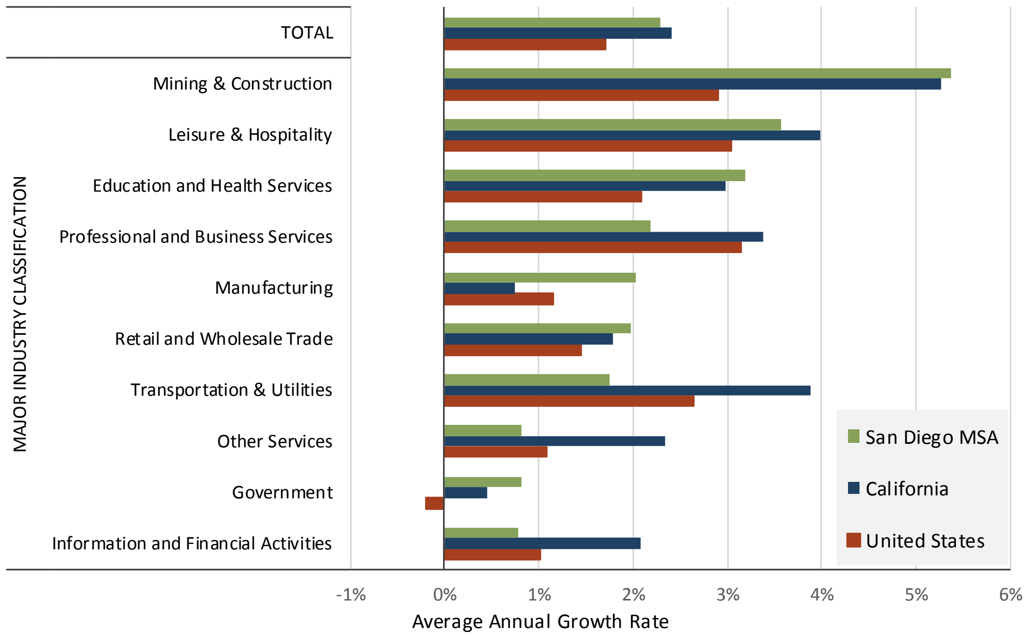
Government employment in the San Diego MSA did not appear to be adversely affected by federal spending cuts following the Great Recession. From 2010 to 2016, government employment in the San Diego MSA increased amid decreases for the nation.

Figure 2-14: Employment Growth by Industry, 2000-2016



Source: U.S. Bureau of Labor Statistics.

Figure 2-15: Employment Growth by Industry, 2010-2016



Source: U.S. Bureau of Labor Statistics.

2.7 Top Employers and Large Company Headquarters

Table 2-3 lists the top employers in the MSA and Table 2-4 lists other large companies with headquarters in the area.

Table 2-3: Top Employers in the San Diego MSA

Company	Industry Description	Local Employment	Location
Scripps Clinic	Clinics	10,000+	La Jolla
UCSD All Campus Dept Listings	College & University Placement Service	10,000+	La Jolla
Qualcomm	Semiconductor & Telecommunications	5,000-9,999	San Diego
Kaiser Permanente Vandever Med	Physicians & Surgeons	5,000-9,999	San Diego
Naval Medical Ctr San Diego	Hospitals	5,000-9,999	San Diego
UC San Diego Health	Hospitals	5,000-9,999	San Diego
Barona Resort & Casino	Casinos	1,000-4,999	Lakeside
Caesar Entertainment	Amusement & Recreation NEC	1,000-4,999	Valley Center
DJO Finance LLC	Surgical Appliances	1,000-4,999	Vista
General Dynamics NASSCO	Ship Builders & Repairers	1,000-4,999	San Diego
Kaiser Permanente Palomar	Health Services	1,000-4,999	Escondido
Kaiser Permanente-Medical Ctr	Education, Philanthropy and Research	1,000-4,999	San Diego
Kyocera Communications Inc	Communications	1,000-4,999	San Diego
Merchants Building Maintenance	Janitor Service	1,000-4,999	San Diego
Palomar Pomerado Health Rehab	Rehabilitation Services	1,000-4,999	Escondido
Rady Children's Hospital	Hospitals	1,000-4,999	San Diego
San Diego County Sheriff	Police Departments	1,000-4,999	Santee
Scripps Mercy Hospital	Hospitals	1,000-4,999	San Diego
Seaworld San Diego	Aquariums-Public	1,000-4,999	San Diego
Sharp Grossmont Hospital	Hospitals	1,000-4,999	La Mesa
Sharp Grossmont Rehab Ctr	Rehabilitation Services	1,000-4,999	La Mesa
Sharp Mary Birch Hosp-Women	Hospitals	1,000-4,999	San Diego
Sharp Memorial Hospital	Hospitals	1,000-4,999	San Diego
Sony Electronics Inc	Electronic Equipment & Supplies	1,000-4,999	San Diego
Tyco Health Care	Manufacturers	1,000-4,999	San Diego
UTC Aerospace Systems	Aircraft Component Manufacturing	1,000-4,999	Chula Vista

Source: State of California, Employment Development Department (EDD), 2017 and SanDiegosTop10.com. The industry descriptions indicated for each company are the EDD industry descriptions.

Table 2-4: Other Large Companies Headquartered in the San Diego MSA

Company	Industry	Headquarters	Revenue (2015)
Qualcomm	Semiconductor	San Diego	$25.3 billion
Petco	Retail	San Diego	$4 billion
ResMed	Medical Equipment & Supplies	San Diego	$1.74 billion
PIRCH	Retail	San Diego	$113.4 million
AdBoom Group	IT Software and Services	San Diego	$105 million
Suja Juice	Beverages	San Diego	$42 million

Source: Forbes, 2017.

2.8 Key Industries and Subsectors within the San Diego MSA's Economy

The San Diego Regional Economic Development Corporation identifies five drivers of growth in the San Diego MSA: innovation, the military, tourism, local commerce and intellect. These growth drivers have created unique industries and specialized workforces that continue to attract expansion and relocation of firms in those industries. The San Diego MSA's economy is supported by firms that specialize in a variety of areas, which are listed on Table 2-5.

Table 2-5: Key Industries & Subsectors within the San Diego MSA

Industry	Local Employees	Key Companies/Institutions
Innovation		
Technology	67,600	GoFundMe, Intuit and Portfolium
Cleantech	9,998	Broadcom, Samsung and San Diego Gas and Electric
Genomics	n.a.	Agena Biioscience, Helix and Illumina
Life Sciences	35,300	Eli Lily, GlaxoSmithKline and Takeda
Medical Devices	11,700	ACON Laboratories, Calbiotech and Dexcom
Craft Goods	n.a.	Dr. Bronners, Kashi and Taylor Guitars
Aerospace	85,000	Honeywell, Northrup Goodman and Cobham
Cyber Security	7,620	Booz Allen Hamilton, Leidos and Sentek Global
Internet of Things	n.a.	FitBit, Qualcomm and Thermo Fisher Scientific
Manufacturing	105,782	BAE Systems, General Atomics and WD-40
Sports and Active Lifestyle	23,000	Callaway Golf, GoPro and TaylorMade
Military		
Defense	33,400	Boeing, Raytheon and UTC Aerospace Systems
Maritime	n.a.	Applied Membrames, Fugro Pelagos and Hydranautics
Unmanned Systems	n.a.	5D Robotics, Kratos and L3 Technologies
Tourism	158,200	LEGOLAND California Resort, SeaWorld Zoo and Safari Park, and the San Diego Convention Center
Local Commerce		
Healthcare	140,000	Kaiser Permanente, Palomar Medical Center, Scripps Clinic and UC San Diego Health System
Craft Beer	1,715	Alpine Brewing, Ballast Point, Rough Draft Brewing and Stone Brewing
Intellect		
Research Insitutions and Universities	18,090	La Jolla intstitute for Allergy and Immunology and the California Institute for Biomedical Research

Source: San Diego Regional Economic Development Corporation, Our Economy, 2017.

The San Diego MSA's life sciences tech sector is expected to grow, with advances in genomics and oncology research. San Diego-based genomics company Illumina is a world leader in gene sequencing. Other San Diego-based genomics companies are also making advances. Helix has begun operations in mass-sample sequencing; Edie Genomics and others are revolutionizing the way genetic data are analyzed, and Human Longevity is using genetic data to deliver personalized health solutions. These companies and dozens of other similar companies in the region will continue to drive innovation.[16]

The field of personalized medicine is also poised for continued growth, enjoying the synergy between the region's telecommunications sector and medical device sector. This synergy has produced transformative companies like Dexcom, with its advanced continuous glucose monitoring and dosing technology, and Qualcomm Life, with its platform for improving clinical workflows and operational efficiencies in hospitals. The field of oncology is also poised for growth in the San Diego MSA, with more than 120 oncology research and development companies in the region working in nearly every type of known cancer.[17]

2.9 Tourism

Tourism not only drives demand for air transportation, but it also contributes to economic growth. As one of the most important industries in the San Diego MSA, tourism stimulates the demand for business establishments and provides employment opportunities. The San Diego MSA's pleasant climate and many outdoor attractions draw millions of domestic and international visitors annually.

The San Diego MSA's tourist attractions include the following:

- outdoor recreation, including area beaches, Balboa Park, and Coronado Island;
- amusement parks such as Sea World and LEGOLAND;
- the San Diego Zoo and the Wild Animal Park;
- historic neighborhoods such as the Gaslamp Quarter and Old Town;
- and more than 90 museums and several galleries.[18]

A new 30,000 seat Major League Soccer stadium is being proposed in San Diego's Mission Valley. If built, this soccer stadium will anchor a proposed mixed-use development called SoccerCity, which will contain approximately 4,800 residential units, more than 2 million square feet of office space, 740,000 square feet of retail space, and 55 acres of open space. Not only will the proposed stadium attract visitors to San Diego, but the construction of the entire development and its annual operations are also expected to generate significant economic impacts on the San Diego MSA.[19]

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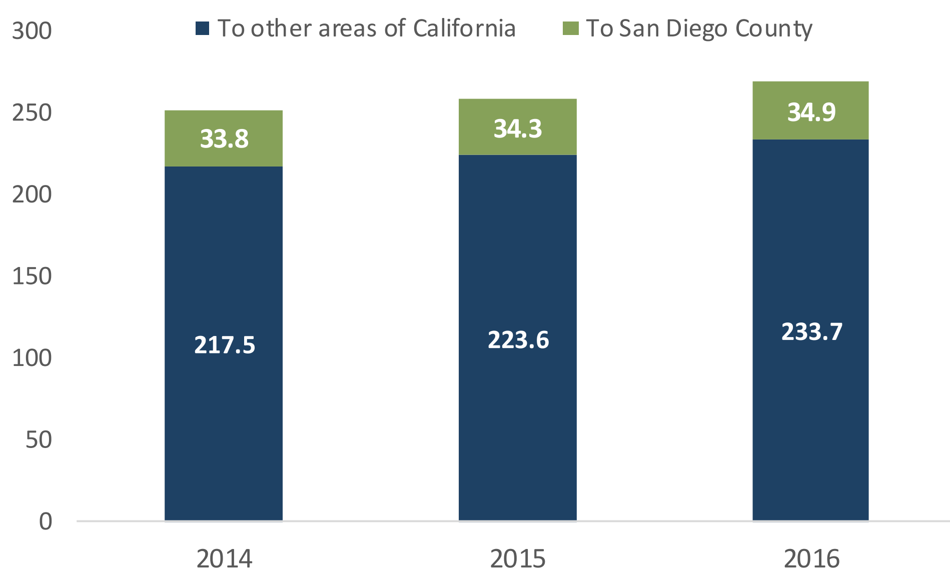
[16] Joe Panetta, "Biotech: Full steam ahead on several scientific fronts," *San Diego Union Tribune*, February 19, 2017.
[17] Ibid.
[18] The San Diego Tourism Authority's website, Museums and Galleries, 2017.
[19] San Diego Regional Economic Development Corporation, "SoccerCity could have $2.8B economic impact," *Economic Drivers*, March 8, 2017.

Figure 2-16 shows the trends in the volume of visitors—measured by person-trips —in the MSA and California. In the past three years, the San Diego MSA had nearly 35 million visitors per year, measured in person-trips. These accounted for approximately 13 percent of annual visitor person-trips in the entire state. Total visitor person-trips to the MSA increased, slightly, each year from 33.8 million in 2014 to 34.9 million in 2016.

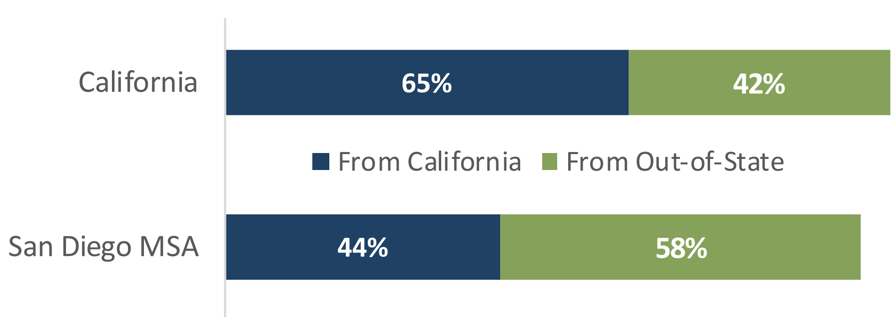
Eighty-nine percent of visits to the San Diego MSA in 2015 were for leisure and other personal reasons, and the remaining 11 percent were for business (including meetings/conventions). In comparison, 80 percent of visits to California were for leisure and other personal reasons, and the remaining 20 percent were for business. The share of out-of-state visitors to the MSA is 58 percent, while the share of out-of-state visitors to California is 42 percent (Figure 2-17).

Figure 2-16: Annual Volume of Visitors (Person-Trips, in Millions)



Source: The San Diego Tourism Authority and Tourism Economics, 2017.

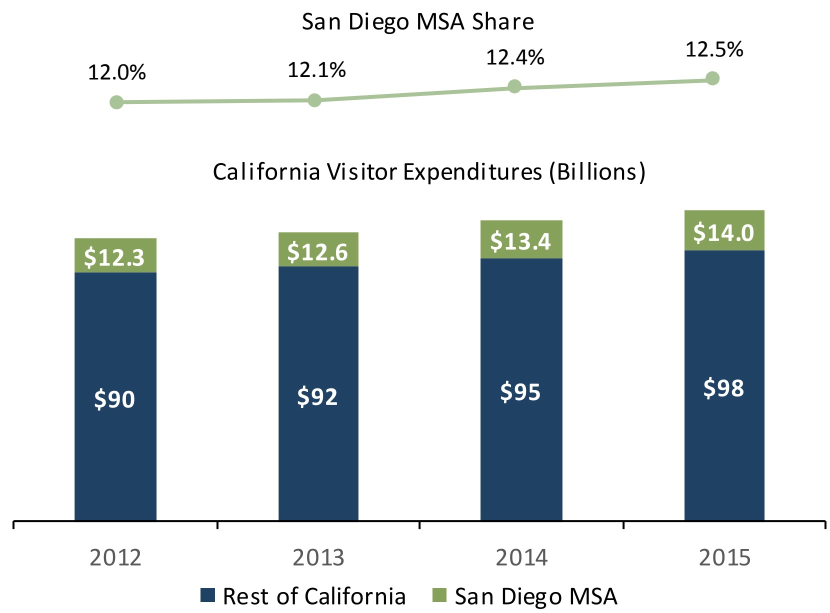
Figure 2-17: Origin of Visitors in 2015



Source: The San Diego Tourism Authority.

Visitor spending generates revenues for local businesses that, in turn, provide local jobs. Visitor spending in the San Diego MSA has steadily increased in recent years. Visitor spending in the San Diego MSA increased from $12 billion in 2012 to $14 billion in 2015. Its share of total visitor spending in the entire state has risen, from 12.0 percent in 2012 to 12.5 percent in 2015.This trend was consistent with the increase in the MSA's share of all state visitors.

Figure 2-18: Visitor Spending



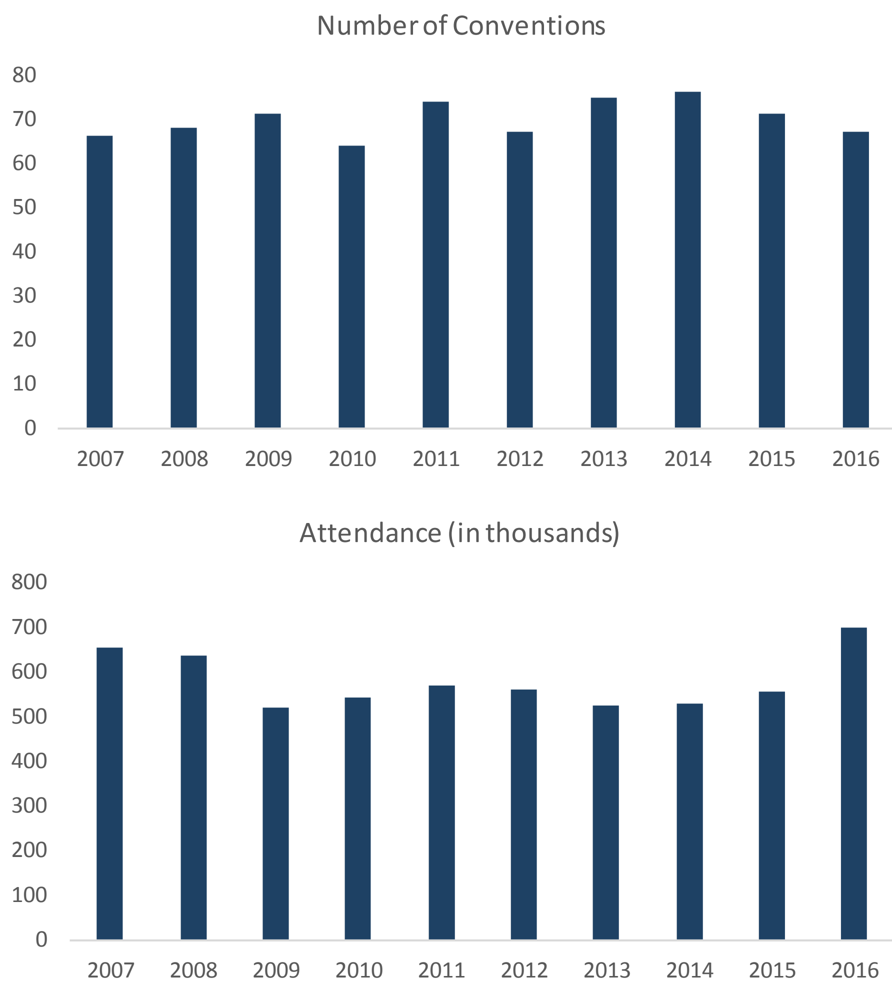
Source: Dean Runyan Associates, *The Economic Impact of Travel on California, 1990-2015*.

The San Diego Convention Center is one of the largest in the nation and is the site of major national and international conventions, meetings, concerts, antique and auto shows, and other special events. According to data from the San Diego Convention Center Corporation, San Diego hosted between 66 and 74 conventions each year since 2007 (Figure 2-19). In 2016, although the number of conventions (67) fell well below the peak record in 2014, attendance set a new record at more than 698,000, above the pre-Great Recession peak attendance of 656,000 (in 2007). In 2017, the San Diego Convention Center Corporation expects to host a total of 62 conventions with projected attendance of approximately 794,000 generating over $1.1 billion in regional impact. In addition to the San Diego Comic-Con International Convention, the largest convention held in San Diego annually, the following medical conventions are expected to generate the most economic activity in 2017: American Academy of Orthopedic Surgeons, American Diabetes Association, American Association of Orthodontists, and American Association of Clinical Chemistry.[20]

[20] The San Diego Convention Center Corporation, 2017 Calendar Year Forecast, January 2017.

In February 2017, the San Diego Convention Center hosted for the first time the world's leading marine science and ocean technology exhibition and conference by Oceanology International, drawing more than 1,500 attendees and 150 maritime technology companies from more than 13 countries. This event will be held every two years in San Diego, switching to London in off-years.[21]

Figure 2-19: San Diego MSA Conventions and Attendance



Source: San Diego Tourism Authority, Annual Visitor Industry Summary, 2017.

Table 2-6 and Table 2-7 list conventions and trade shows booked at the San Diego County Convention Center during the period of April 2017 through October 2018, which total over 130 booked events and projected attendance of more than 1.1 million.

[21] San Diego Regional Economic Development Corporation, "San Diego hosts world's leading maritime conference," *Economic Drivers*, February 17, 2017.

Table 2-6: San Diego County Convention Center Confirmed Bookings as of June 2017 (Part I)

Event Name	Dates	Anticipated Attendance	Event Name	Dates	Anticipated Attendance
SD County Apartment Assoc. 43rd Annual Conf & Expo	4/13/2017	3,500	SPIE Optics + Photonics	8/8/17 to 8/10/17	4,500
90 Day Year Live / Shockley Event Management	4/18/17 to 4/19/17	1,000	California Beauty & Barber Expo - San Diego	8/14/2017	5,000
Warrior Expo West	4/19/17 to 4/20/17	1,300	ASNE Fleet Maintenance & Modernization Symposium	8/14/17 to 8/16/17	1,000
2017 AAO Annual Session	4/21/17 to 4/25/17	20,000	National Assoc. Of Chain Drug Stores Total Store Expo	8/20/17 to 8/23/17	5,500
San Diego National College Fair	4/25/2017	6,000	Qi Revolution / Qi Productions	8/25/17 to 8/27/17	350
American Society For Aesthetic Plastic Surgery	4/27/17 to 5/2/17	3,000	Girl Scouts San Diego Volunteer Conference	8/26/2017	650
SDAR 2017 Realtors Expo & Conference	4/27/2017	2,000	Sharp Healthcare Employee Meeting 2017	8/28/17 to 8/29/17	11,000
Private Community Event	4/28/2017	2,000	Private Convention with Trade Show	8/29/2017	1,000
Investment Management Consultants Association	5/1/17 to 5/3/17	1,400	Custom Electronic Design & Installation Association	9/5/17 to 9/9/17	18,000
California Solar Power Expo	5/1/17 to 5/2/17	1,200	SBI2 High Content 2017	9/13/17 to 9/15/17	250
ACOG Annual Clinical and Scientific Meeting	5/6/17 to 5/9/17	6,000	San Diego Fall Home Show 2017	9/15/17 to 9/17/17	N/A
Private Event	5/10/2017	500	South County Economic Development Summit 2017	9/15/2017	500
University Of Phoenix Graduation Spring 2017	5/13/2017	11,500	San Diego Cookie Con & Sweets Show / Annatainment	9/16/17 to 9/17/17	25,000
Best Buy Company - 2017 Achievers	5/15/17 to 5/18/17	2,300	San Diego Ultimate Women's Expo	9/16/17 to 9/17/17	3,000
Private Meeting/Seminar	5/16/2017	300	CPTA Annual Conference	9/16/17 to 9/17/17	1,200
SDG&E Annual Energy Showcase Expo	5/17/2017	500	Bridal Bazaar	9/17/2017	5,000
2017 APA Annual Meeting	5/20/17 to 5/24/17	12,000	Small Business Expo 2017 / The Show Producers	9/21/2017	5,000
Private Convention with Trade Show	5/31/17 to 6/2/17	2,700	Astro - American Society For Radiology Oncology	9/24/17 to 9/27/17	12,000
2017 Vascular Annual Meeting	5/31/17 to 6/3/17	2,800	San Diego Quilt Show	9/28/17 to 9/30/17	5,800
Rock 'n' Roll San Diego Health & Fitness Expo	6/2/17 to 6/3/17	60,000	Gujarati Cultural Dance 2017	9/30/2017	2,000
Friends of the Badge	6/6/2017	500	Kids Artistic Revue Convention	10/1/2017	700
American Diabetes Association	6/9/17 to 6/13/17	20,000	Infectious Disease Society Of America Annual	10/4/17 to 10/8/17	7,000
Realcomm - IBcon	6/14/2017	1,200	Private Convention with Trade Show	10/7/17 to 10/10/17	6,000
2017 BIO International Convention	6/19/17 to 6/22/17	16,500	PLC at Work Institute	10/10/17 to 10/12/17	1,400
Eid Al-Fitr Prayer Service 2017	6/25/2017	4,500	Private Convention with Trade Show	10/10/17 to 10/12/17	1,500
National Assoc. Of Student Financial Aid Administrators	6/26/17 to 6/29/17	2,500	AFP 2017	10/15/17 to 10/18/17	6,200
Festival Of Genomics 2017 / Clarion Events	6/26/17 to 6/27/17	1,600	American College Of Surgeons Annual Clinical Conference	10/22/17 to 10/26/17	17,000
Pacific Coast Builders Conference / PCBC 2017	6/28/17 to 6/29/17	10,000	24 Seven Dance Convention	10/27/17 to 10/29/17	500
AVID Summer Institute 2017	6/29/2017	3,000	Casa De Oracion At The San Diego Convention Center	10/29/2017	1,000
Esri / Environmental Systems Research Institute	7/10/17 to 7/14/17	14,500	33rd Annual Environmental Training Symposium	10/30/17 to 10/31/17	450
San Diego Comic-Con International 2017	7/20/17 to 7/23/17	130,000	American College Of Rheumatology Natl Meeting	11/3/17 to 11/8/17	16,775
American Association Of Clinical Chemistry	8/1/17 to 8/3/17	20,000	American Association Of Pharmaceutical Scientists	11/12/17 to 11/15/17	8,000
Energy Storage North America 2017	8/8/17 to 8/10/17	2,000	Southern California Design-2-Part Show	11/15/17 to 11/16/17	1,500

Source: San Diego Convention Center Corporation, Calendar of Events, June 12, 2017.

Table 2-7: San Diego County Convention Center Confirmed Bookings as of June 2017 (Part II)

Event Name	Dates	Anticipated Attendance	Event Name	Dates	Anticipated Attendance
Taking Control Of Your Diabetes 2017 Tradeshow	11/18/2017	1,500	Starpower Talent Competition 2018	4/14/18 to 4/15/18	1,000
California School Boards Association	11/30/17 to 12/1/17	5,000	Warrior Expo West 2018	4/18/18 to 4/19/18	1,300
California School Boards Association	11/30/17 to 12/1/17	4,500	Experimental Biology (EB) / FASEB	4/22/18 to 4/25/18	15,000
Frontier Tech Forum 2017 / Rising Media	12/4/17 to 12/6/17	5,000	SDAR 2018 Realtors Expo & Conference / SD Realtors	4/27/2018	2,000
Amway Achievers 2017	12/7/2017	4,000	Private Convention with Trade Show	4/29/18 to 5/1/18	5,000
Private Corporate & Incentive	12/8/17 to 12/10/17	3,000	Nacha: The Electronic Payments Association Annual	4/30/18 to 5/1/18	2,600
Solution Tree Mathematics In A PLC At Work Summit	12/13/17 to 12/15/17	650	Association For Talent Development Annual Conference	5/7/18 to 5/9/18	11,000
San Diego Spring Home Show 2018	1/5/18 to 1/7/18	N/A	Argentum 2018 Annual (Previously Assisted Living)	5/15/18 to 5/16/18	2,600
Health Sciences High - Day Of Understanding	1/5/2018	600	SDG&E Energy Showcase & Expo 2018	5/15/2018	700
2018 Joint Mathematics Meetings	1/10/18 to 1/12/18	5000	American Thoracic Society Annual Conference	5/20/18 to 5/23/18	16000
San Diego Travel & Adventure Show 2018	1/13/18 to 1/14/18	14,000	Flashback Music Festival 2018	5/26/18 to 5/27/18	30,000
Bridal Bazaar	1/14/2018	4,000	Competitor Group / Rock N Roll Marathon Expo	6/1/2018	60,000
cabi, The Scoop, Spring 2018	1/18/18 to 1/20/18	3,175	American Society Of Mass Spectrometry Annual	6/4/18 to 6/7/18	7,000
SCEGA CA Classic 2018 / Temecula Valley Gymastics	1/19/18 to 1/21/18	5,000	Private Convention with Trade Show	6/5/18 to 6/6/18	800
Private Convention with Trade Show	1/29/18 to 1/31/18	5,500	Afflink Summit-2018	6/11/18 to 6/13/18	800
2018 Illuminate Education Users Conference	2/1/18 to 2/2/18	1,800	National Apartment Association Annual	6/14/18 to 6/16/18	10000
Society For Lab Automation & Screening 7th Annual	2/5/18 to 2/7/18	5,000	AHIP Institute & Expo 2018	6/20/18 to 6/22/18	2,400
WEST 2018 - AFCEA & US Naval Institute	2/6/18 to 2/8/18	8,500	Retail Business Conference	6/27/18 to 6/30/18	6,500
Aloha San Diego 2018 / Aloha Spirit Productions	2/10/2018	3,100	Private Convention with Trade Show	6/28/18 to 7/1/18	5,000
2018 American Academy of Dermatology (AAD) Annual	2/16/18 to 2/20/18	18,000	Esri / Environmental Systems Research Institute	7/9/18 to 7/12/18	14,500
California Democratic Party State Convention 2018	2/23/18 to 2/25/18	4,000	Private Convention with Trade Show	7/19/18 to 7/22/18	130,000
IPC APEX Expo 2018	2/26/18 to 3/3/18	8,963	Private Corporate & Incentive	8/1/18 to 8/2/18	5,000
Private Corporate & Incentive	3/1/18 to 3/2/18	4,000	Private Convention with Trade Show	8/13/18 to 8/15/18	7,000
Firehouse World Expo And Conference 2018	3/5/18 to 3/6/18	4,000	Harley-Davidson Annual Summer Dealer Meeting	8/20/18 to 8/23/18	6,300
EUEC 2018 / Energy Utility & Environment Conference	3/5/18 to 3/7/18	2,300	Spie 2018 Optics + Photonics	8/21/18 to 8/23/18	5,000
Johnstone Supply Spring Meeting & Tradeshow	3/6/18 to 3/7/18	1,250	Custom Electronic Design & Installation Assn	9/6/18 to 9/8/18	18,000
Optical Society Of America Annual	3/13/18 to 3/15/18	15,000	Cardiometabolic Risk Summit (CRS) Fall 2018 / HMP	9/13/18 to 9/16/18	1,000
Private Corporate & Incentive	3/21/18 to 3/23/18	1,200	CRF / Transcatheter Cardiovascular Therapeutics Symp	9/21/18 to 9/25/18	11,000
International Health Racquet & Sportsclub Association	3/22/18 to 3/24/18	11,000	American College Of Emergency Physicians 2018	10/1/18 to 10/3/18	10,000
CCSA 2018 25th Annual Conference / CA Charter	3/27/18 to 3/28/18	3,000	American Osteopathic Association	10/6/18 to 10/9/18	8,000
Private Convention with Trade Show	4/8/18 to 4/11/18	9,000	American Health Care Association/ AHCA Annual	10/8/18 to 10/9/18	3,500
Encore San Diego 2018	4/14/18 to 4/15/18	3,000	Private Convention with Trade Show	10/17/18 to 10/19/18	8,400

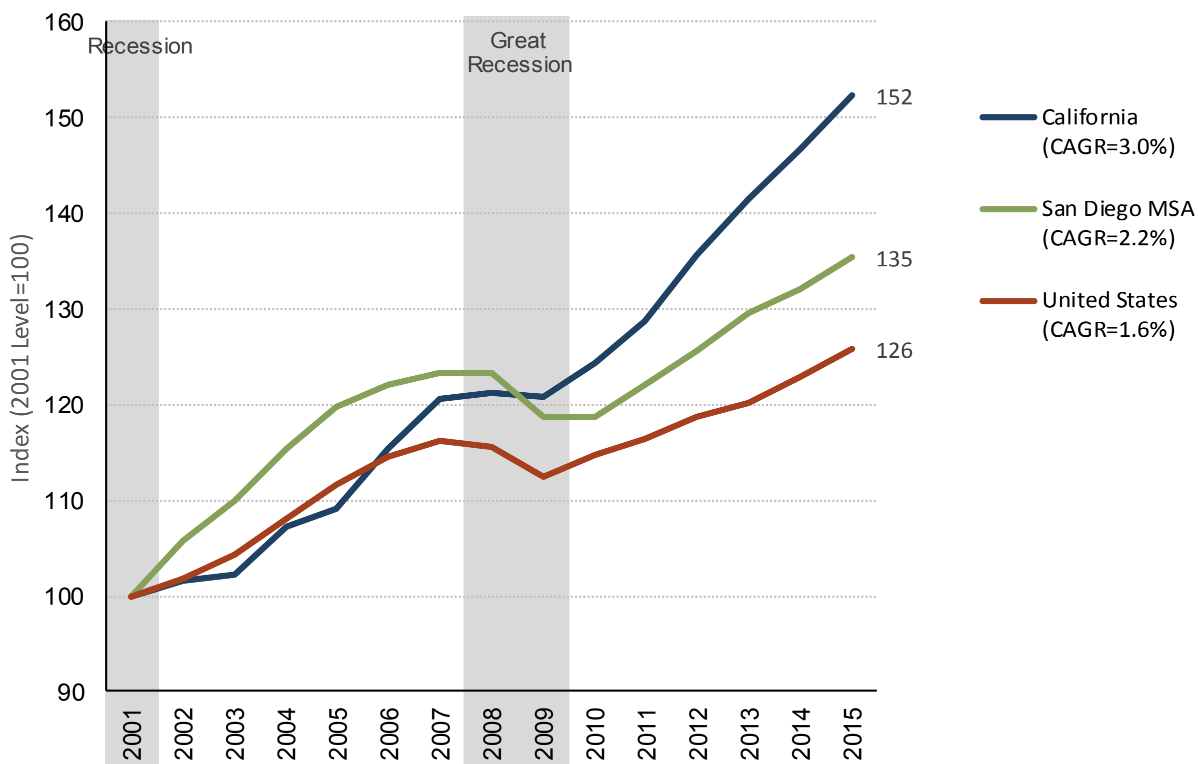
Source: San Diego Convention Center Corporation, Calendar of Events, June 12, 2017.

2.10 Economic Output

Airport passenger traffic tracks economic growth. The most comprehensive indicator of economic growth is gross domestic product (GDP), which measures the value of all goods and services produced in an area. Growth in inflation-adjusted (real) GDP indicates an economic expansion, while steady decline over two or more quarters indicates a recession.

Figure 2-20 compares real GDP growth trends from 2001 to 2015 in the San Diego MSA and the state with national trends. The San Diego MSA outperformed the nation throughout the entire period. From 2001 to 2016, the San Diego MSA's real GDP grew 35 percent, while the national GDP grew only 26 percent. However, the San Diego MSA lagged the state, with California's GDP having increased 52 percent during the same time period. The state of California has experienced significant economic growth in spite of the economic crisis, boosted mainly by growth in the technology industry.

Figure 2-20: Growth in Real Gross Domestic Product



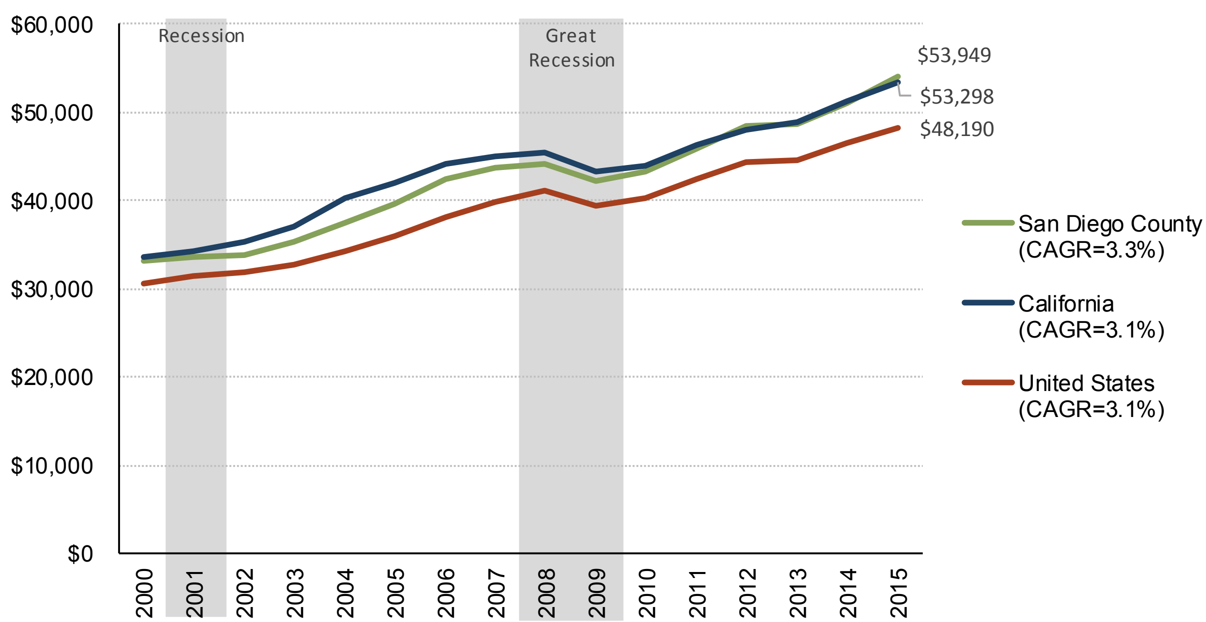
CAGR – Compound average growth rate.
Source: U.S. Bureau of Economic Analysis, Regional Economic Accounts.

2.11 Income

Personal income measures the income people receive from all sources—employment, proprietorship, government transfers, rental properties, and other assets. Consumers' ability to spend and build wealth depends on their personal income. Growth in personal income boosts demand for air travel. A component of GDP, personal income follows the same cyclical pattern: increasing during economic expansion and decreasing during economic recession.

From 2000 to 2015, the San Diego MSA's per capita income was higher than the nation's, but it was slightly lower than the state's except in 2012 and 2015 (Figure 2-21). Per capita income increased at a faster pace in the San Diego MSA than in both the state and the nation. Annual growth in per capita income averaged 3.3 percent in the San Diego MSA, while it averaged 3.1 percent for both the state and the nation.

Figure 2-21: Per Capita Personal Income (Current Dollars)



CAGR – Compound average growth rate.
Source: U.S. Bureau of Economic Analysis, Regional Economic Accounts.

2.12 Cost of Living

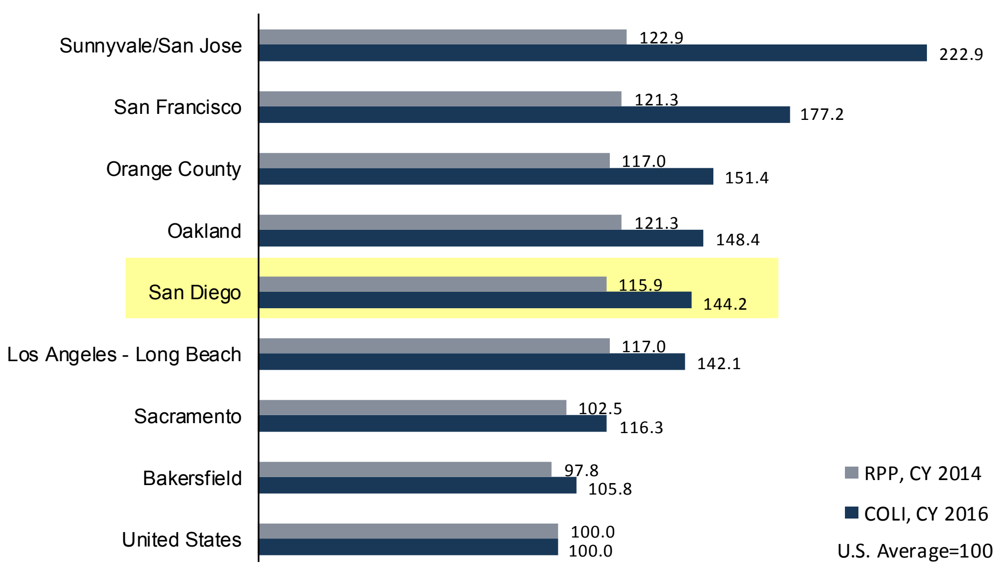
A low cost of living attracts new workers and businesses into the area. The San Diego MSA has a moderate cost of living compared to other metropolitan areas within the state, per the two measures shown in Figure 2-22: (1) the Cost of Living Index (COLI) published by the Council for

Community and Economic Research (C2ER) and (2) the Regional Price Parity (RPP) published by the U.S. Bureau of Economic Analysis (BEA).

COLI measures regional differences in the cost of consumer goods and services, excluding taxes and non-consumer expenditures, for professional and managerial households in the top income quintile. In 2016, the cost of living in the San Diego MSA was 44 percent higher than the U.S. average and ranked among the middle of the major metropolitan areas within the state.

Like COLI, RPP measures price differences across metropolitan areas relative to the national level. Based on RPP, the cost of living in the San Diego MSA in 2014 was 16 percent higher than the national average, but was also among the lowest of major California metropolitan areas.

Figure 2-22: Cost of Living in Select Urban Areas



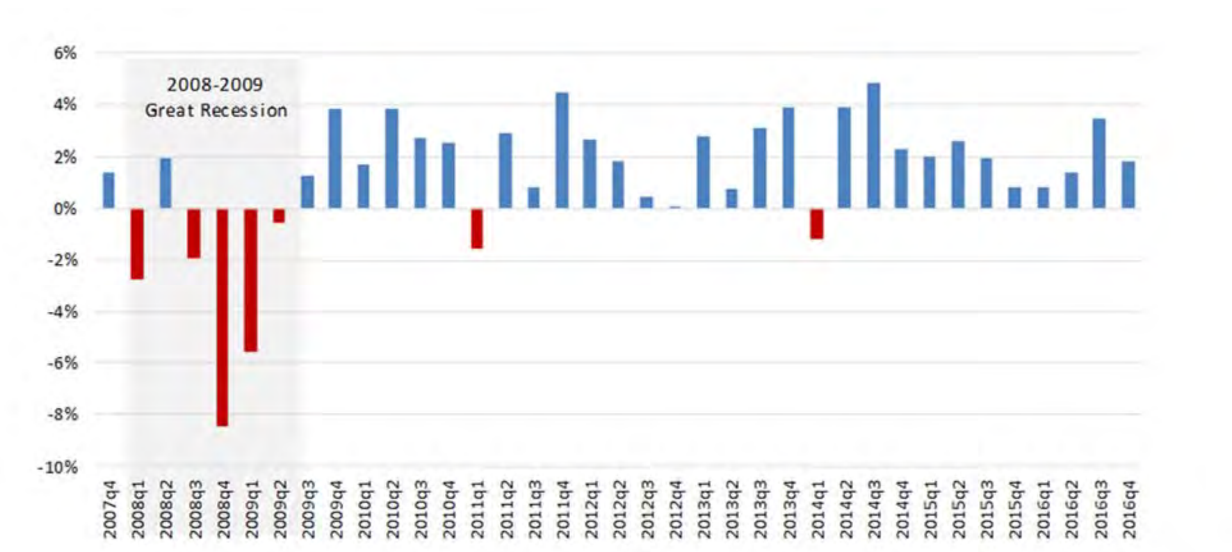
Sources: Council for Community and Economic Research and U.S. Bureau of Economic Analysis.

2.13 National Economy

Since 2000, the U.S. economy has experienced two recessions. The most recent recession, the 2008-2009 Great Recession, was the longest and deepest U.S. recession since World War II. It lasted six quarters (Figure 2-23). At the depth of the Great Recession in the second quarter of 2009, U.S. real GDP decreased to a level more than 4 percent below its previous peak in the fourth quarter of 2007. Within two years of the start of the recession, the economy lost 8.7 million jobs—jobs that had been created over five years before the recession.

The recovery from the Great Recession has been the slowest in post-World War II history. Economic output, measured by U.S. real GDP, took nearly four years to return to its pre-recession peak, compared with the average two years it took to recover from the previous 10 recessions. The U.S. nonfarm employment level took nearly 6 ½ years to return to its previous peak, compared with only 2 to 2½ years in recoveries from previous recessions.

Figure 2-23: Growth in U.S. Real Gross Domestic Product



Source: U.S. Bureau of Economic Analysis.

The U.S. economy has continued its slow expansion, with consumer spending, making up two-thirds of GDP, as the economy's major driver. Now entering its eighth year, the current U.S. economic expansion is expected to continue over the next few years, according to several sources (Table 2-8).

Table 2-8: U.S. Economic Growth Forecasts (Year-Over-Year Change in Real U.S. GDP)

	Actual		Forecast				
Source	**2015**	**2016**	**2017F**	**2018F**	**2019F**	**2020F**	**2021F**
Moody's Analytics, December 2016	2.6	1.6	2.8	3.0	2.2	1.4	1.6
Economist Intelligence Unit, April 2017	2.6	1.6	2.2	2.1			
International Monetary Fund, April 2017	2.6	1.6	2.3	2.5	2.1	1.8	1.7
World Bank, January 2017	2.6	1.6	2.2	2.1	1.9		
Federal Reserve Board, December 2016	2.6	1.6	2.1	2.0	1.9		
Wall Street Journal Economic Forecasting Survey, April 2017	2.6	1.6	2.3	2.5	2.1		
OECD, March 2017	2.6	1.6	2.4	2.8			
Wells Fargo, April 2017	2.6	1.6	2.1	2.5			
Average	**2.6**	**1.6**	**2.3**	**2.4**	**2.0**	**1.6**	**1.6**

Source: U.S. Bureau of Economic Analysis for historical data and listed sources for forecasts.

The April 2017 Wall Street Journal economic forecasting survey estimates the probability of a recession in the next 12 months at less than 16 percent. But the U.S. economy faces risks from within and from abroad. Within the country, the prospect of significant economic policy changes increases economic uncertainty. In addition, the following factors continue to raise concern: (1) the high level of U.S. government debt and the level of private debt in relation to the U.S. GDP;[22] (2) tightening monetary policy; (3) the dollar appreciation; (4) the disconnect between trends in financial markets and economic fundamentals; and (5) the adverse effects of declining oil prices on the U.S. energy and manufacturing sectors. Abroad the following developments add to the uncertainties facing the U.S. economy: (1) the United Kingdom's withdrawal from the European Union, (2) ongoing political conflicts in the Middle East, (3) the threat of terrorism, and (4) an enduring global oil glut.

2.14 Outlook for the California Economy

California should continue to perform well economically, particularly as measured by economic output and per capita income. In the *California County-Level Economic Forecast 2016-2050,* a report prepared for the California Department of Transportation, California's GDP growth is forecast to accelerate in 2017. Job growth is expected to remain positive and significant over the next few years, with most of the new job growth coming from the technology, leisure and hospitality, healthcare, and the real estate industry sectors.[23] For 2017, the Los Angeles County Economic Development Corporation (LAEDC) forecasts for the State an unemployment rate of 5.1 percent, nonfarm job growth of 1.7 percent, a 3.3 percent increase in per capita income, and a 2.4 percent increase in real GDP. For 2018, LAEDC forecasts an unemployment rate of 5 percent, nonfarm job growth of 1.7 percent, and a 4 percent increase in per capita income, and a 2.6 percent increase in real GDP.[24]

2.15 Outlook for the San Diego MSA Economy

The San Diego MSA is forecast to continue to outperform California and the United States within the labor market. The LAEDC anticipates continued economic growth for the San Diego MSA in 2017, with a forecast unemployment rate of 3.9 percent, nonfarm job growth of 1.8 percent, real GDP growth of 2.1 percent, and per capita personal income growth of 4 percent.[25] For 2018, LAEDC forecasts an unemployment rate of 4.5 percent, nonfarm job growth of 1.6 percent, real GDP growth of 2.3 percent, and per capita personal income growth of 3.3 percent.[26] The *California County-Level Economic Forecast* predicts an increase of 1.6 percent for real average salaries, and growth in industrial production by an average of 1.8 percent annually between 2016 and 2021. *Professional and business services*; *leisure and hospitality services*; *education and healthcare services*; and

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[22] The private debt to GDP ratio continues to be a concern because the increases in the ratio imply that output is not keeping up with the increase in private debt.
[23] Mark Schniepp, *California County-Level Economic Forecast 2016-2050*, October 2016.
[24] Los Angeles County Economic Development Corporation, *Economic Forecast & Industry Outlook: 2017 - 2018*, February 2017, 11.
[25] Los Angeles County Economic Development Corporation, *Economic Forecast & Industry Outlook: 2017 - 2018*, February 2017,
[26] Los Angeles County Economic Development Corporation, *Economic Forecast & Industry Outlook: 2017 - 2018*, February 2017, 28-31.

government are predicted to continue leading in job growth—accounting for over 70 percent of net job creation.[27]

Hotel development in the San Diego MSA is expected to continue its strong growth pace. As of December 2016, the San Diego MSA had more than 30 new hotels with more than 5,000 hotel rooms planned through July 2019. (Table 2-9) [28] These new developments should boost the tourism industry within the MSA and within the state.

Table 2-9: San Diego County Potential New Hotel Supply Developments

Property Name	Potential Open Date	Number of Rooms	Potentiality Rating
SpringHill Suites San Diego Downtown/Bayfront	Open	253	Open
Residence Inn San Diego Downtown/Bayfront	Open	147	Open
SpringHill Suites San Diego/Mission Valley	Open	135	Open
Homewood Suites San Diego/Mission Valley/Zoo	Open	118	Open
Homewood Suites San Diego Bayside	Open	160	Open
Hilton Garden Inn San Diego Downtown/Bayside	Open	204	Open
	2016 Total	**1,017**	
Pendry San Diego	Jan-17	317	5
Fairfield Inn and Suites San Marcos	Jan-17	116	5
SpringHill Suites Carlsbad San Diego	May-17	103	5
Courtyard by Marriott	Jul-17	120	5
Hampton Inn and Suites by Hilton (Liberty Station)	Jun-17	181	5
Ayers Hotel - Millenia Chula Vista	Sep-17	135	5
Hampton Inn	Dec-17	80	3
La Terraza Springhill Suites by Marriott	Dec-17	105	5
	2017 Total	**1,157**	
Stone Brewing Company Boutique Hotel	Mar-18	99	3
Sixth Avenue Suites	Mar-18	98	5
Home2 Suites - Carlsbad Palomar Airport	Mar-18	142	3
Sheraton Hotel Carlsbad Resort & Spa (expansion project)	May-18	71	3
Moxy Hotel	Jun-18	126	5
TownePlace Suites by Marriott (Liberty Station)	Jun-18	222	5
Residence Inn by Marriott	Jun-18	148	2
Carte Hotel & Suites Downtown San Diego	Aug-18	239	5
AC Hotel (Autograph Collection by Marriott)	Sep-18	147	3
Embassy Suites by Hilton (Liberty Station)	Oct-18	240	5
InterContinental Hotel - Lane Field South	Oct-18	400	5
LEGOLAND Hotel	Dec-18	250	2
	2018 Total	**2,182**	
Beach Resort Hotel - South Block	Jun-19	225	3
Oceanside Beach Resort Hotel - North Block	Jun-19	135	3
Hyatt Place	Jun-19	127	2
1010 Oceanside	Jun-19	124	3
San Marcos Hotel SWC Montiel Rd & Leora Ln	Jun-19	128	1
Crowne Plaza (2 hotels in one building)	Jul-19	186	3
Staybridge Suites (2 hotels in one building)	Jul-19	146	3
Sheraton Carlsbad Resort expansion	Jul-19	79	2
	2019 Total	**1,150**	

* Potentiality Rating: (5) Hotel is under construction; (4) Financing for hotel is secured; (3) City approved the project and all permits; (2) Architectural design/renderings, environmental documents prepared and ready to obtain permits and approval from city; and (1) Conceptual idea only.
Source: San Diego Tourism Authority, December 2016.

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[27] Mark Schniepp, *California County-Level Economic Forecast 2016-2050*, October 2016, 145-148.
[28] Tourism Economics, *San Diego Travel Forecast*, December 2016.

2.16 Summary

Demographic and economic trends in the San Diego MSA, California, and the United States influence passenger traffic trends at SAN. Trends in key demographic and economic indicators in the MSA and California show rapid expansion that is expected to continue.

Below are the major highlights of the analysis in this section:

- As mentioned in Section 2.1, the San Diego MSA's location adjacent to the U.S.-Mexico border makes the area ideal for international commerce and business on the west coast
- Having the seventeenth largest metro area population in the country and the second largest within the state of California, the San Diego MSA offers a large market that has been growing at a faster rate than the nation in many key performance indicators.
- The San Diego MSA has a younger and more highly educated population, relative to the state of California and the nation. These attributes are important for attracting businesses to locate in the MSA.
- The San Diego MSA and California enjoy above-average growth trends in business establishments, jobs, and labor force, and below-average unemployment rates.
- The San Diego MSA and California have diversified employment bases. Although the largest share of employees work within the public sector, other sectors, such as education and health services, leisure and hospitality, and professional and business services are the San Diego MSA's growth drivers. Like the rest of the state and the nation, manufacturing experienced the biggest decline in employment since 2000.
- Tourism is one of the biggest drivers of the San Diego MSA and California economies; and the MSA is a popular destination for leisure travelers. San Diego's many nature attractions — beaches, parks, coves and bays — attract millions of domestic and international visitors annually. Hotel developments should help support growth in the travel and tourism industries within the San Diego MSA and the state.
- The San Diego MSA's GDP and California's GDP have grown at high rates to unprecedented levels, despite the setbacks of the Great Recession. They grew faster than the nation's GDP from 2001 through 2015. From 2001 to 2016, the San Diego MSA's real GDP grew 35 percent, while California's GDP increased by 52 percent, and national GDP grew 26 percent.
- The San Diego MSA has higher levels of per capita personal incomes than California and the nation. The San Diego MSA has also experienced higher income growth than both California and the nation.
- Relative to other California metropolitan areas, the San Diego MSA has moderate living costs, which combine with higher wages and salaries to attract workers and businesses. In 2016, the cost of living in the San Diego MSA was 44 percent higher than the U.S. average, but ranked among the middle of the major metropolitan areas within the state.

- A major driver of both the San Diego MSA and California economies, the U.S. economy continues to expand, supporting growth in the economies of the MSA and California. Now in its eighth year, the current U.S. economic expansion, based on the data cited in this section, is expected to continue for at least a few more years. As reflected in the data cited in this section and the consensus of economic forecasts, the probability of a recession remains low, but many factors—within the country and abroad—present recession risks.
- Based on the data and forecasts cited in this section, California is expected to perform well economically, particularly as measured by economic output and per capita income. The state's GDP growth is forecast to accelerate in 2017, while jobs are expected to continue growing, with most of the new job growth coming from the technology, leisure and hospitality, healthcare, and the real estate industry sectors.
- The San Diego MSA's economy continues to enjoy broad-based job growth and it is expected to continue outperforming the national economy in the coming years.

Section 3 Aviation Activity Analysis and Forecasts

SAN is one of the 30 U.S. airports classified as a large hub by the FAA. The FAA defines large hubs as commercial airports accounting for at least 1 percent of annual U.S. enplanements.[29] SAN has maintained its position among the top 30 busiest airports in terms of passenger enplanements, ranking 27th in calendar year (CY) 2015 (the most recent year for which rankings are available) according to traffic data compiled by the Airports Council International-North America (ACI-NA). The ACI-NA data also show that SAN ranked 41st in terms of total aircraft operations among all U.S. airports in CY 2015.

In 2015, SAN served more than 20 million passengers (enplaned and deplaned) for the first time in the airport's history. The Airport surpassed that milestone in 2016 and continues to exhibit strong growth in passenger traffic in 2017. This section provides an overview of the historical trends in commercial passenger traffic at SAN and discusses factors that have affected those trends. The section also develops a six-year forecast of aviation activity at the Airport while addressing underlying market factors and relevant industry developments. Unless otherwise noted, annual data in this section is based on the Authority's Fiscal Year (FY), which begins on July 1 and ends on June 30 of the following calendar year.

3.1 Current Air Service

Table 3-1 shows that as of June 2017, 15 domestic passenger air carriers, seven foreign flag passenger airlines, and five all-cargo carriers provide scheduled air service at SAN. With nearly 500 flights per day, the passenger carriers serve more than 60 nonstop domestic and international destinations.

[29] Total passengers consist of enplanements and deplanements. Passenger activity at most airports, including SAN, is generally forecast in terms of enplanements.

Table 3-1: Scheduled Passenger and Cargo Airlines (as of June 2017)

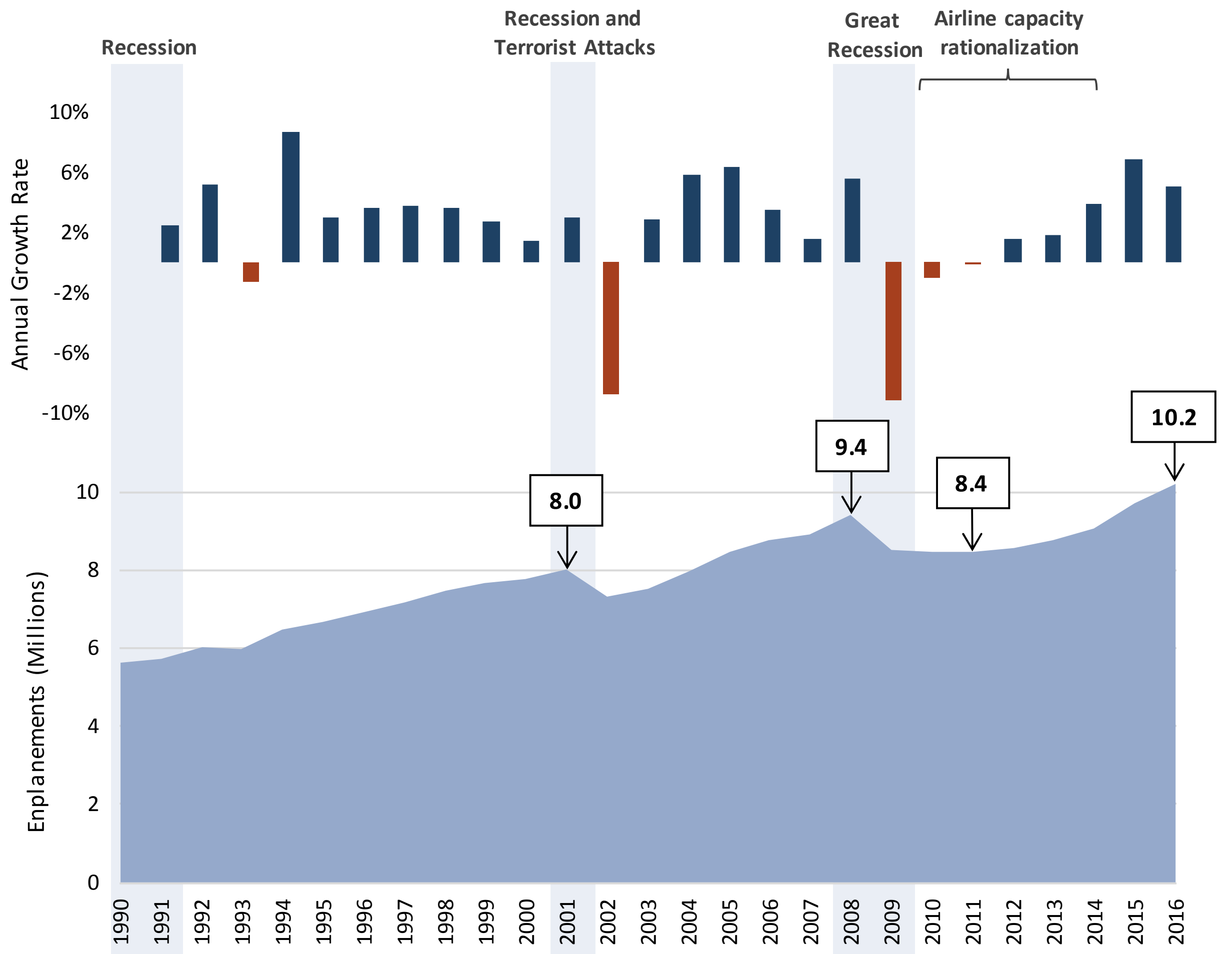
Passenger Carriers			
U.S. Carriers		**Foreign Flag Carriers**	**All-Cargo Carriers**
Alaska Airlines[1,2]	Southwest Airlines	Air Canada Rouge[6]	Atlas Air, Inc.
Allegiant Air	Spirit Airlines	British Airways	Ameriflight
American Airlines	Sun Country Airlines	Condor	FedEx Express
Compass Air[3]	United Airlines	Edelweiss Air	UPS Airlines
Delta Air Lines	Virgin America[2]	Japan Airlines	West Air, Inc.
Frontier Airlines		Jazz Aviation[6]	
Hawaiian Airlines		WestJet Airlines	
Horizon Air[1,4]			
JetBlue Airways			
SkyWest Airlines[5]			

[1] Alaska Airlines and Horizon Air Industries are separately certificated airlines owned by Alaska Air Group, Inc. ("Alaska Air Group").
[2] In December 2016, Alaska Air Group acquired Virgin America, Inc. Alaska and Virgin currently are operating under separate FAA certificates, but are expected to begin operating under one certificate in the first quarter of calendar year 2018.
[3] Affiliate of and doing business as American Airlines and Delta Air Lines.
[4] Affiliate of and doing business as Alaska Airlines.
[5] Affiliate of and doing business as United Express, Delta Connection, and Alaska Airlines.
[6] Affiliate of Air Canada.
Source: Airport Authority.

3.2 Historical Passenger Traffic Trends

Growth in the San Diego MSA's population and economy has driven passenger enplanements to record numbers in recent years. Figure 3-1 shows the trends in SAN's passenger traffic since FY 1990, which have tracked closely with business cycles. The 1990s began with a national economic recession that lasted from June 1990 to March 1991. The Airport weathered the recession with traffic growth through FY 1992 and only a small decrease in FY 1993. Economic expansion ensued through March 2001—the longest in U.S. history, and the Airport's enplanements grew steadily through FY 2001, reaching 8 million, an increase of nearly 2.4 million in 10 years.

Figure 3-1: Historical Enplanement Trends at SAN by Fiscal Year



Source: Airport Authority.

After reaching 8 million in FY 2001, enplanements at SAN suffered a steep decline in FY 2002, falling by nearly 9 percent compared to FY 2001 levels. This decline was driven by a short-term recession, lasting from March to November 2001, and by the terrorist events of September 11, 2001.

Along with other U.S. airports, SAN faced weak air travel demand from the economic recession, security concerns after the terrorist attacks, and a decrease in short-haul air travel due to the new stringent security measures. The decade beginning with year 2000 was eventful for the aviation industry as a whole, prompting lasting changes in consumer air travel behavior and airline business practices:

- A recession, lasting from March to November 2001, ended a 10-year U.S. economic expansion. On September 11, 2001, while the U.S. economy was in recession, terrorists attacked U.S. aviation. Passenger traffic plummeted, and airport security tightened.

- Jet fuel prices rose to record high levels, causing airline operating costs to escalate.
- Amid record fuel prices, in 2008-2009, the U.S. economy entered the Great Recession, so called because it is the longest and deepest recession since the Great Depression. The Great Recession again weakened demand for both passenger and cargo air services.
- To improve financial results, airlines cut domestic seat capacity to increase load factors, retired fuel-inefficient aircraft, added seats to aircraft, and implemented other cost-cutting measures. They optimized their networks, transferred routes between mainline and regional service, and changed their pricing structures. Mounting financial difficulties eventually led to bankruptcies, mergers, and business restructuring.
- Bad weather, natural disasters, disease outbreaks, and geopolitical conflicts also hurt the aviation industry in various ways—by disrupting air service, decreasing traffic, and hampering economic recovery.

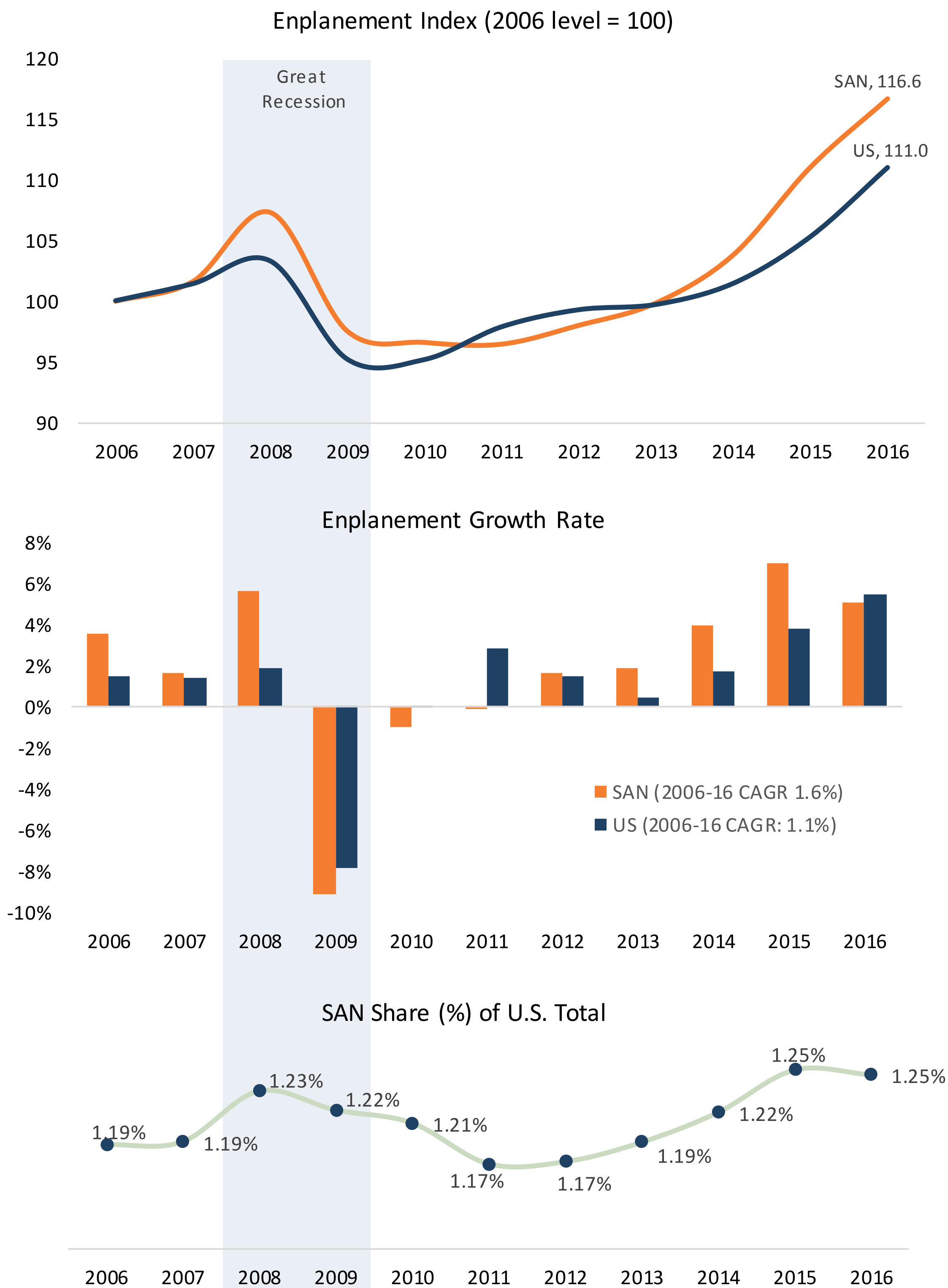
After FY 2002, the Airport experienced six consecutive years of growth before the next recession and set another record of 9.4 million enplanements in FY 2008. Weak demand and airline capacity cuts during the Great Recession and the early years of recovery caused enplanements to decrease 10.1 percent to 8.4 million in FY 2011. Since FY 2011, however, passenger traffic at SAN has increased steadily as the U.S. and the regional economies continue to grow, and as airlines add more capacity. The Airport's enplanements surpassed the 2008-peak levels with a 7 percent year-over-year increase in FY 2015, and grew another 5 percent over FY 2015 levels to reach 10.2 million passengers in FY 2016.

3.2.1 Comparison of Enplanement Trends at SAN and the United States

Figure 3-2 and Table 3-2 show the annual enplanement trends for SAN and the entire U.S. system from 2006 through 2016, which are summarized in the following points:

- SAN's enplanements grew faster than the national trend over his period, increasing by 1.6 percent annually compared to the national 1.1 percent annual growth, which reflect the annual decreases related to the Great Recession, as well as the strong increases in the last few years, as explained below.
- During the Great Recession, SAN suffered decreases in enplanements along with other U.S. airports. Traffic recovery at SAN lagged behind national recovery until 2013. After the Recession ended in 2009, U.S. total enplanements grew steadily beginning in 2011 and surpassed their pre-recession level in 2014. Enplanements at SAN began to increase in FY 2012 and surpassed their pre-recession level in FY 2015, but they increased at nearly double the rate of the national growth between FY 2013 and FY 2015. In 2016, both the U.S. system and SAN posted a 5 percent enplanement growth.
- SAN's annual share of U.S. system enplanements remained close to 1.2 percent over the FY 2006 – FY 2016 period, increasing slightly from 1.19 percent in FY 2006 to 1.25 percent in FY 2016.

Figure 3-2: SAN and U.S. Total Enplanement Growth by Fiscal Year



CAGR - Compound annual growth rate.
Sources: Airport Authority and U.S. Bureau of Transportation Statistics.

Table 3-2: SAN and U.S. System Enplanements (Thousands)

	SAN Enplanements		Total U.S. Enplanements		SAN Share of
Fiscal Year	**Number**	**% Change**	**Number**	**% Change**	**Total U.S.**
2006	8,750		736,112		1.19%
2007	8,892	1.6%	746,509	1.4%	1.19%
2008	9,389	5.6%	760,363	1.9%	1.23%
2009	8,536	-9.1%	700,462	-7.9%	1.22%
2010	8,454	-1.0%	700,221	0.0%	1.21%
2011	8,441	-0.2%	720,196	2.9%	1.17%
2012	8,576	1.6%	730,606	1.4%	1.17%
2013	8,738	1.9%	733,830	0.4%	1.19%
2014	9,082	3.9%	746,650	1.7%	1.22%
2015	9,713	6.9%	775,137	3.8%	1.25%
2016	10,206	5.1%	817,222	5.4%	1.25%
	Compound Annual Growth Rate				**Avg. Share**
2006-2016		1.6%		1.1%	1.21%

Sources: Airport Authority and U.S. Bureau of Transportation Statistics.

3.2.2 International Traffic

Although SAN primarily serves domestic traffic, the share of international traffic at the Airport has grown over the last decade, from under 1.0 percent in FY 2006 to 3.5 percent in FY 2016 (Table 3-3). The expansion of international air service began after 2009, when Air Canada and WestJet increased nonstop service to Canada to 14 flights per week. British Airways began daily nonstop service to London in June 2011, and Japan Airlines began nonstop service daily to Tokyo in December 2012. International service to Europe is continuing to expand. Condor and Edelweiss Air recently implemented seasonal service to Frankfurt, Germany, and Zürich, Switzerland. Condor's service to Frankfurt began in May 2017, and Edelweiss Airbegan flights to Zürich in June 2017.

As mentioned in Section 2.1, Tijuana Rodriguez International Airport (TIJ) is located 24 miles south of SAN, in Tijuana, Mexico. TIJ primarily serves the Mexican domestic market, with 98.6 of its passengers traveling within Mexico. The CBX (defined and described on page 2-4), which opened in December 2015, was designed to make it easier for passengers to cross the border and fly from TIJ to other Mexican destinations. Sufficient statistics are not yet available to fully evaluate the effect of the CBX, if any, on air traffic at SAN. However, enplaned passengers who fly from SAN to destinations in Mexico are a very small portion of total enplanements at SAN (1.25 percent in FY 2016). The number of enplaned passengers who traveled to Mexico from SAN increased 12 percent from FY 2015 to FY 2016, from approximately 114,000 to 128,000 enplanements (CBX opened in the middle of FY 2016). Although it is possible that the FY 2016 increase in passengers enplaning at SAN and flying to destinations in Mexico might have been higher had the CBX not opened, the effect on SAN's total passenger traffic, if any, would not have been substantial, given the very small share of passengers flying to Mexico.

Table 3-3: SAN Domestic and International Enplanements (Thousands)

	Domestic		International[1]		Total
Fiscal Year	Number	Share	Number	Share	Enplanements
2006	8,691	99.3%	59	0.7%	8,750
2007	8,797	98.9%	95	1.1%	8,892
2008	9,302	99.1%	87	0.9%	9,389
2009	8,479	99.3%	57	0.7%	8,536
2010	8,339	98.6%	115	1.4%	8,454
2011	8,316	98.5%	125	1.5%	8,441
2012	8,324	97.1%	252	2.9%	8,576
2013	8,461	96.8%	277	3.2%	8,738
2014	8,746	96.3%	337	3.7%	9,082
2015	9,381	96.6%	332	3.4%	9,713
2016	9,849	96.5%	357	3.5%	10,206
	Compound Annual Growth Rate				
2006-2016	1.3%		19.7%		1.6%

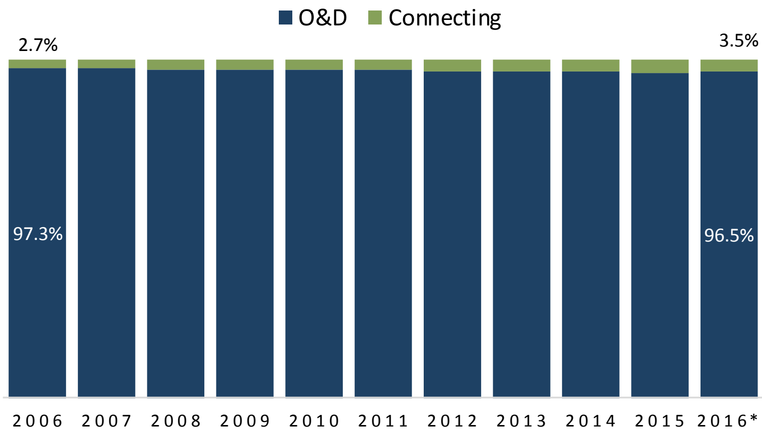
[1] International enplanements include enplanements by foreign flag carriers, as well as seasonal international enplanements reported by U.S. air carriers.
Source: Airport Authority.

3.2.3 Composition of Passenger Traffic at SAN

SAN has a strong O&D traffic base, which constitutes a reliable market for air service. Having a predominantly O&D traffic makes the Airport less sensitive to changes in any particular airline's connecting services.

SAN has primarily served O&D passengers, typically accounting for around 96 percent of the airport's annual traffic. Connecting passengers made up the remaining share of traffic (Figure 3-3). According to U.S. Department of Transportation data, Southwest Airlines ("Southwest") accounted for more than one-half of the connecting traffic at SAN in FY 2016. (Southwest also accounts for the largest share of total passenger traffic at SAN, as shown in subsection 3.2.5.) The Airport's connecting traffic primarily consisted of passengers originating from San Francisco, Los Angeles, and Sacramento.

Figure 3-3: O&D and Connecting Traffic Shares



*2016 is through June 2016.

Sources: Airport Authority and U.S. Department of Transportation DB1B.

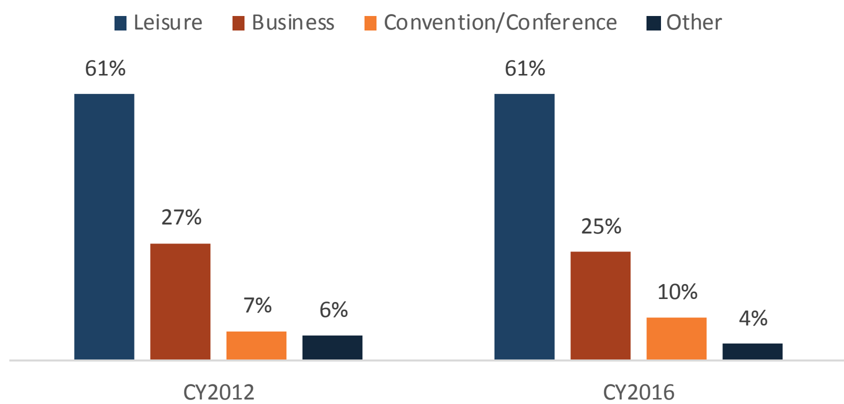
Data on O&D passengers traveling to and from SAN indicate that resident account for approximately 45 percent of O&D traffic at SAN, while visitors account for the remaining 55 percent. [30] These percentages remained fairly constant from 2009 through 2016.

Passengers traveling for leisure accounted for the greatest share of Airport traffic (61 percent in both CY 2012 and CY 2016, as shown in Figure 3-4). Those traveling for business and conventions

[30] Data Source: U.S. Department of Transportation DB1B. The shares of resident and visitor O&D passengers were estimated by separating one-way or round-trip passengers that began their trips originally at SAN, from one-way or round-trip passengers that began their trips originally at another airport.

accounted for a combined share of 34-35 percent, and those traveling for other purposes accounted for the remaining share of 4-6 percent.

Figure 3-4: SAN Passenger Traffic Shares by Trip Purpose



Sources: Reports prepared by the Redhill Group for the Airport Authority.

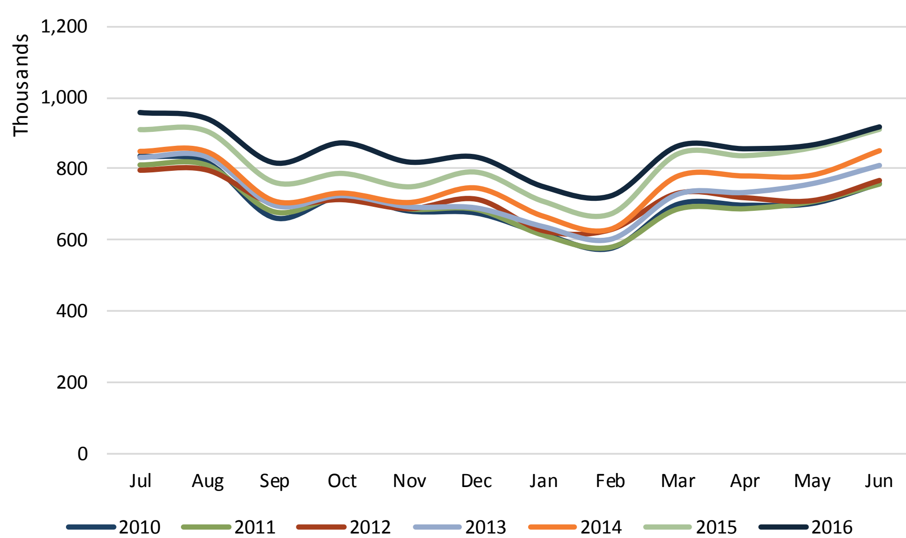
3.2.4 Monthly Enplanements

SAN's enplanements peak slightly in the summer months of July and August (Figure 3-5). The Airport's seasonal patterns are consistent with patterns observed nationwide.

Figure 3-5: SAN Monthly Enplanements

Month	**2010-2016 Avg. Share of FY Total**
July	9.5%
August	9.4%
September	8.0%
October	8.3%
November	7.9%
December	8.1%
January	7.3%
February	7.0%
March	8.4%
April	8.4%
May	8.5%
June	9.1%

Source: Airport Authority.



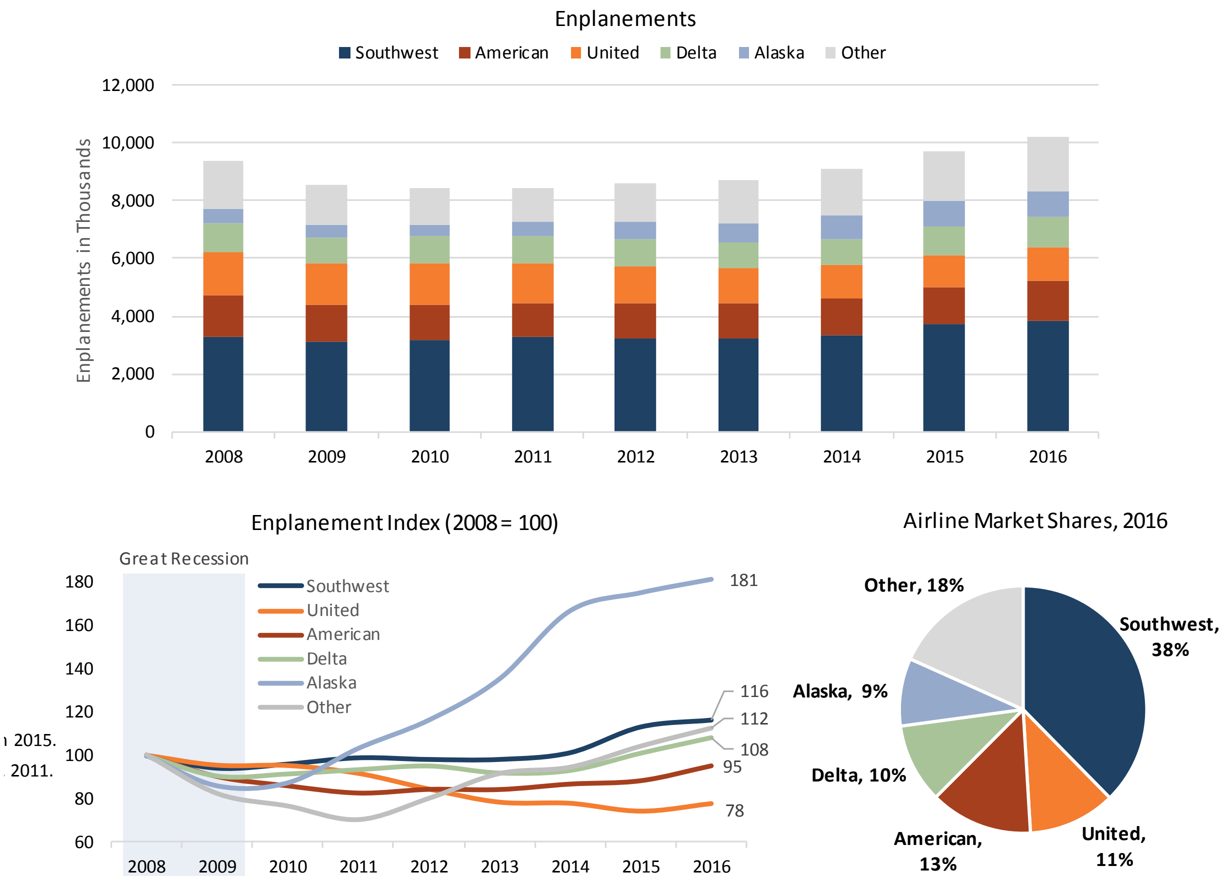
3.2.5 Enplanements by Airline

SAN's top five carriers in terms of passenger enplanements are Southwest, American Airlines (American), United Airlines (United), Delta Air Lines (Delta), and Alaska Airlines (Alaska). These five carriers accounted for about 80 percent of annual passenger traffic in 2016, while the other airlines – which include mainline, regional and foreign flag carriers – accounted for the remaining 20 percent (Figure 3-6 and Table 3-4). Southwest has maintained a strong presence at the Airport with an enplanement share above 35 percent since FY 2008, and above 30 percent since FY 1993. Foreign flag carriers accounted for around 2.5 percent of SAN's enplanements in FY 2016.

Collectively, service by the mainline carriers continues to make up the large majority of enplanements at SAN (about 94 percent in FY 2016). A number of factors contribute to the larger share of mainline service at SAN, compared to the national share (around 78 percent). Unlike other large hubs in the country, SAN is a single-runway airport, where efficiencies can be gained by operating larger aircraft. Larger aircraft are also better-suited for mainline service by carriers at SAN that mostly serve O&D traffic on relatively dense routes. Still, in recent years, regional carriers have shown modest growth in their share of passenger enplanements at SAN.

Enplanements for all carriers operating at the Airport decreased during the Great Recession, and did not show signs of steady recovery until FY 2012. Among the top-five carriers, Southwest, Delta and Alaska rebounded the earliest from the traffic slump. Alaska's enplanements continued to grow substantially through 2016 at an annual average rate of almost 8 percent as it has further developed San Diego into a focus city by adding new flights and destinations, while Southwest's annual growth averaged 2 percent over the same period. Enplanements for Delta and American recovered slowly after FY 2011. United's traffic declined in most years between FY 2008 and FY 2016.

Figure 3-6: SAN Enplanements by Airline



Source: Airport Authority.

Table 3-4: SAN Enplanements by Airline by Fiscal Year

	Enplanements (in Thousands)					Market Share				
Airline	**2012**	**2013**	**2014**	**2015**	**2016**	**2012**	**2013**	**2014**	**2015**	**2016**
Mainline										
Southwest	3,252	3,253	3,353	3,737	3,840	37.9%	37.2%	36.9%	38.5%	37.6%
American[1]	1,213	1,212	1,248	1,271	1,369	14.1%	13.9%	13.7%	13.1%	13.4%
United	1,266	1,176	1,168	1,114	1,166	14.8%	13.5%	12.9%	11.5%	11.4%
Delta	936	905	916	992	1,062	10.9%	10.4%	10.1%	10.2%	10.4%
Alaska	579	674	830	872	903	6.8%	7.7%	9.1%	9.0%	8.8%
Spirit	78	164	201	252	327	0.9%	1.9%	2.2%	2.6%	3.2%
Virgin America	166	168	157	176	211	1.9%	1.9%	1.7%	1.8%	2.1%
JetBlue	147	153	173	179	183	1.7%	1.7%	1.9%	1.8%	1.8%
Frontier[2]	199	184	185	151	119	2.3%	2.1%	2.0%	1.6%	1.2%
Hawaiian	86	94	99	97	102	1.0%	1.1%	1.1%	1.0%	1.0%
British Airways	81	82	85	84	90	0.9%	0.9%	0.9%	0.9%	0.9%
Japan Airlines	-	18	54	59	60	0.0%	0.2%	0.6%	0.6%	0.6%
Air Canada[3]	56	45	37	41	49	0.7%	0.5%	0.4%	0.4%	0.5%
Other[4]	105	98	90	90	108	1.2%	1.1%	1.0%	0.9%	1.1%
Subtotal - Mainline	**8,166**	**8,225**	**8,596**	**9,114**	**9,588**	**95.2%**	**94.1%**	**94.6%**	**93.8%**	**93.9%**
Regional										
SkyWest[5]	263	352	341	372	313	3.1%	4.0%	3.8%	3.8%	3.1%
Compass	-	-	9	140	250	0.0%	0.0%	0.1%	1.4%	2.4%
Horizon[6]	6	77	84	84	53	0.1%	0.9%	0.9%	0.9%	0.5%
Other	-	-	1	3	2	0.0%	0.0%	0.0%	0.0%	0.0%
American Eagle[7]	141	82	51	-	-	1.6%	0.9%	0.6%	0.0%	0.0%
Subtotal - Regional	**410**	**512**	**486**	**599**	**618**	**4.8%**	**5.9%**	**5.4%**	**6.2%**	**6.1%**
TOTAL	**8,575**	**8,737**	**9,082**	**9,713**	**10,206**	**100%**	**100%**	**100%**	**100%**	**100%**

1 Enplanements combined for American and US Airways. American merged with US Airways on Dec. 9, 2013 and began operating as a single carrier in April 2015.
2 Enplanements combined for Frontier and Midwest. The carriers combined brands under Frontier in April 2010.
3 Enplanements combined for Air Canada Rouge and Jazz Aviation.
4 Includes airlines that ceased operating at SAN during the period shown and airlines that accounted for less than 0.5% of market share in 2016.
5 Includes Delta Connection, United Express, US Airways Express (2012-2015) and American Airlines (2013).
6 Operating as Alaska Airlines.
7 Operating as American Airlines.
Source: Airport Authority.

3.2.6 Top O&D Markets

O&D enplanements account for approximately 96 percent of SAN's passenger traffic. Table 3-5 lists the Airport's top 25 O&D city markets in CY2016, ranked by share of O&D enplanements. The table shows the airports served in each market, the number of daily nonstop departures to each market from SAN, and the airlines serving each market from SAN in CY 2016.

The top 25 destination cities listed, consisting of large urban areas across the U.S., were served by 192 of the 237 daily nonstop departures from SAN. Together, service to these markets accounted for approximately 75 percent of O&D enplanements at the Airport in CY 2016.

Table 3-5: SAN's Top 25 O&D Markets

CY2016 Rank [1]	Destination	Airports	O&D Market Share [2]	Daily Nonstop Departures [3]	Airlines Serving Market from SAN [4]
1	San Francisco, CA	SFO, SJC, OAK	14.62%	43	WN, UA, VX, AS
2	New York, NY	JFK, EWR, LGA	4.98%	9	UA, DL, B6, AA, AS
3	Seattle, WA	SEA	4.90%	12	AS, WN, DL
4	Chicago, IL	ORD, MDW	4.40%	12	AA, UA, WN, NK
5	Denver, CO	DEN	4.09%	14	WN, UA, F9, NK
6	Las Vegas, NV	LAS	3.85%	12	WN, UA, DL, NK
7	Washington, DC	BWI, IAD, DCA	3.84%	5	UA, WN, NK
8	Dallas/Fort Worth, TX	DFW, DAL	3.77%	13	AA, WN, NK
9	Sacramento, CA	SMF	3.75%	9	WN
10	Phoenix, AZ	PHX	3.13%	15	WN, AA
11	Boston, MA	BOS, PVD	2.68%	3	B6, AS
12	Portland, OR	PDX	2.68%	5	AS, WN
13	Houston, TX	IAH, HOU	2.02%	7	UA, WN, NK
14	Salt Lake City, UT	SLC	2.01%	7	DL, AS
15	Honolulu, HI	HNL	1.71%	2	HA, AS
16	Atlanta, GA	ATL	1.65%	6	DL, WN
17	Minneapolis/St. Paul, MN	MSP	1.63%	4	DL, SY
18	Philadelphia, PA	PHL	1.60%	3	AA
19	Miami, FL	FLL, MIA	1.35%	2	AA, B6
20	Orlando, FL	MCO	1.33%	2	WN, DL, F9
21	Detroit, MI	DTW	1.21%	2	DL
22	Austin, TX	AUS	0.99%	2	WN
23	St. Louis, MO	STL	0.95%	1	DL, AS
24	Kansas City, MO	MCI	0.87%	1	WN
25	Reno, NV	RNO	0.86%	2	WN
	DESTINATIONS LISTED	-	**74.9%**	**192**	
	OTHER DESTINATIONS	-	**25.1%**	**45**	
	TOTAL	-	**100.0%**	**237**	

[1] Ranking is based on share of SAN O&D passengers. Represents metro markets that are served by nonstop flights from SAN; however, not every airport in each metro market has nonstop flights from SAN.
[2] U.S. Department of Transportation DB1B.
[3] OAG Schedules Analyzer (accessed April 2017). Daily nonstop departures: annual nonstop departures in CY 2016 divided by 365.
[4] Airline codes: AA=American; AS=Alaska; B6=Jet Blue; DL=Delta; F9=Frontier; HA=Hawaiian; NK=Spirit; SY=Sun Country; UA=United; VX=Virgin America; WN=Southwest. VX was acquired by AS in December 2016.
Source: U.S. Department of Transportation DB1B.

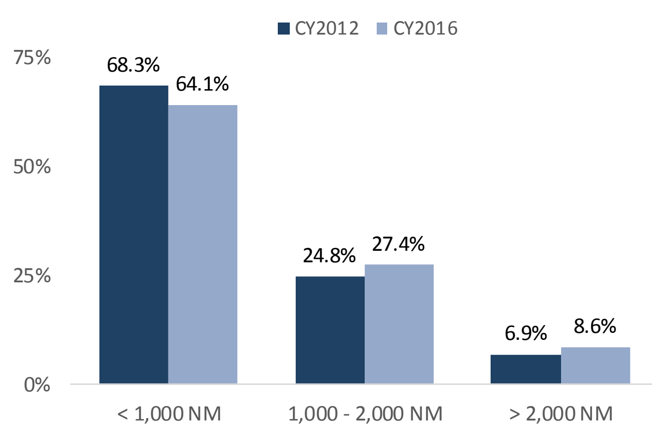
Figure 3-7 shows that SAN's top 25 O&D markets are spread across the United States.

Figure 3-7: SAN's Top 25 O&D Markets

Sources: Unison Consulting, Inc., U.S. Department of Transportation DB1B.

Figure 3-8 shows that most of the nonstop flights from SAN serve destinations within 1,000 nautical miles (NM) of SAN, although the share of nonstop flights serving destinations beyond 1,000 NM increased between CY 2012 and CY 2016.

Figure 3-8: Share of Nonstop Departures from SAN by Distance (Nautical Miles)



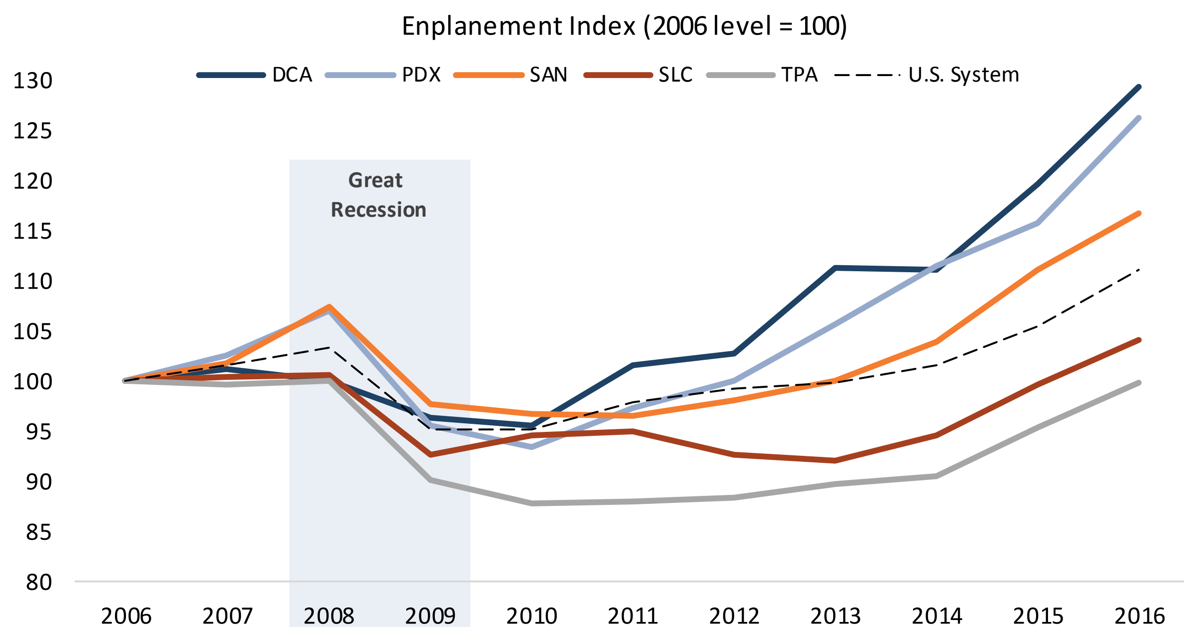
Source: Unison Consulting, Inc., OAG Schedules Analyzer.

3.2.7 Enplanement Trends at Select Large Hub Airports

Figure 3-9 compares the trends in enplanements at SAN and four other large hub airports, from FY 2006 through FY 2016. The FAA designates large hubs as commercial airports that enplane at least 1 percent of total U.S. commercial passengers in a given year. In 2015 (the most recent year for which ranking information is available), SAN ranked 27th by total passenger enplanements among the 30 U.S. airports classified as large hubs. Large hub airports, however, still differ considerably in terms of enplanements and other characteristics. Among these airports, Portland International (PDX), Tampa International (TPA), Salt Lake City International (SLC), and Ronald Regan Washington National (DCA) are the most similar to SAN in terms of the following criteria: enplanement level, share of domestic and international traffic, relative diversity of airline base, share of Southwest service, and the number of markets served on both nonstop and connecting flights.

As Figure 3-9 shows, although SAN and its peer airports exhibit similar enplanement trends, which tracked national growth trends, there are some notable differences. Along with PDX, SAN suffered a big decline in traffic during the recession, but exhibited a stronger recovery compared with TPA and SLC.

Figure 3-9: Enplanement Trends at SAN and Select Large Hubs



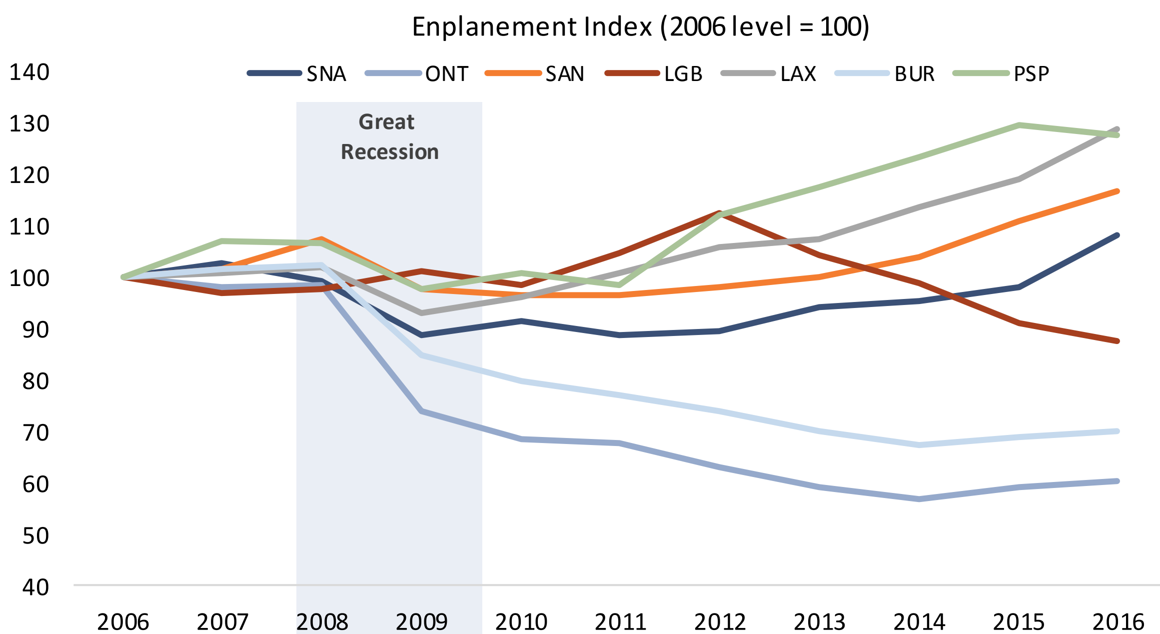
Sources: Airport Authority and U.S. Bureau of Transportation Statistics.

3.2.8 Enplanement and Fare Trends at Southern California Airports

Figure 3-10 compares enplanements trends at SAN with trends at other commercial airports in Southern California. Within 150 road miles of SAN are the following commercial airports with reported historical enplanements[31]: small hubs Long Beach Airport (LGB) and Palm Springs International Airport (PSP); medium hubs John Wayne (SNA), Ontario International (ONT), and Burbank Bob Hope Airport (BUR); and large hub Los Angeles International Airport (LAX).

Among the Southern California commercial airports, SAN's enplanement trends since FY 2006 are most similar to trends at SNA and LAX. SAN and SNA, however, lagged behind LAX in traffic after the recession. BUR and ONT both suffered sustained declines in enplanements—their enplanements levels remain well below pre-recession levels in spite of increases in the last two years. LGB weathered the recession better than all the other airports, but its enplanements have decreased steadily since reaching a peak in FY 2012.

Figure 3-10: Enplanement Trends at SAN and Southern California Airports



Sources: Airport Authority and U.S. Bureau of Transportation Statistics.

Passengers consider airfares as one factor when choosing airlines and airports (if they have access to more than one airport). Airlines consider yields, measured as revenue per passenger mile, when choosing which airports to serve. Figure 3-11 shows the trends in domestic average fares and

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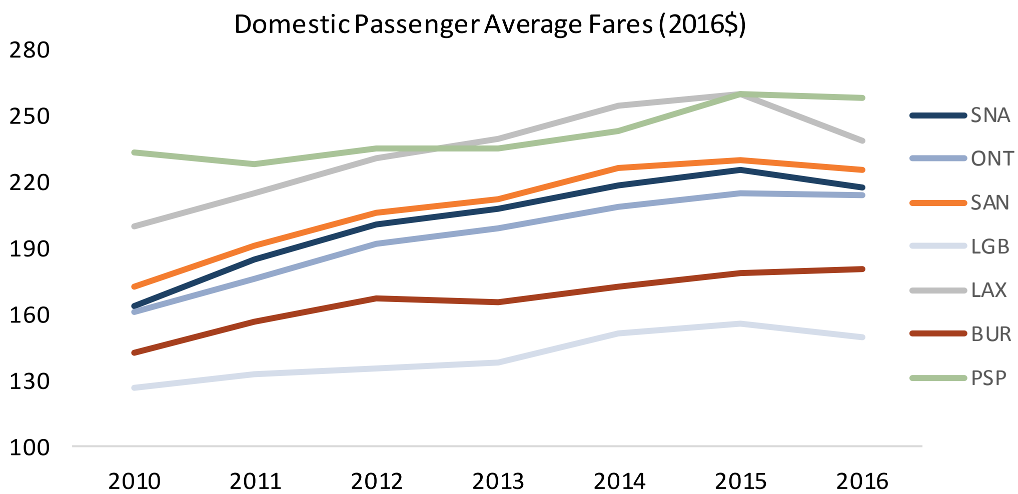
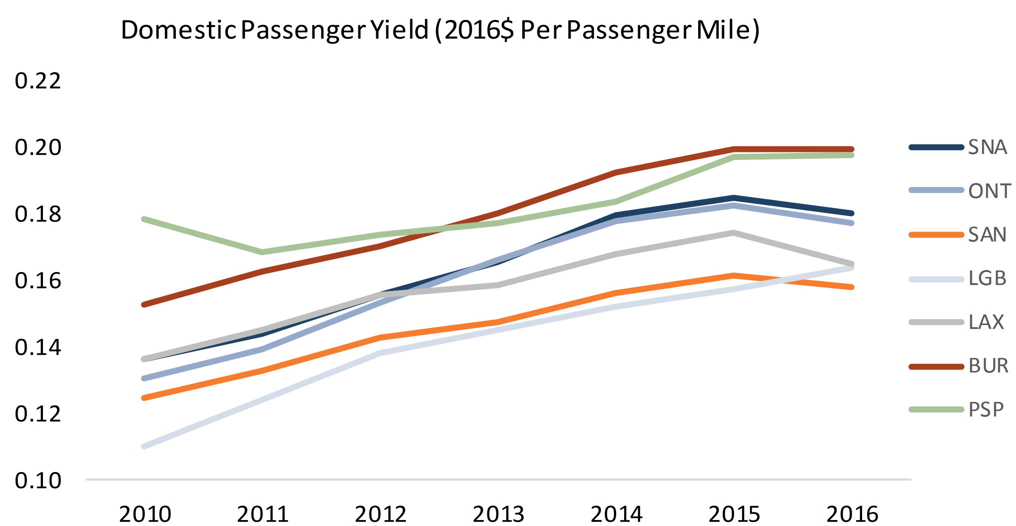
[31] See Table 2-1 (and footnotes) in Section 2 regarding Imperial County Airport and San Bernardino International Airport, neither of which had historical information to include in this analysis.

passenger yields at SAN and the other Southern California airports with reported historical commercial service. SAN's domestic average air fare is the third-highest in the region after LAX and PSP. Controlling for distance, domestic passenger yields indicate that SAN is actually more price-competitive than the Airport's average fares suggest. Yields at SAN were the lowest in the region in 2016, falling below yields at LGB which were the lowest in previous years.[32] Yield trends at SAN follow the regional and national trends.

Figure 3-11: Domestic Average Fares and Passenger Yields at So. Calif. Airports By Fiscal Year





Source: U.S. Bureau of Transportation Statistics DB1B. The analysis removed itineraries with fares below $50 to exclude frequent flier, nonrevenue and other discounted fare tickets.

[32] Lower yields at SAN, relative to other airports in Southern California, indicate that SAN is price competitive, which is a positive indicator for demand at SAN.

3.2.9 Air Cargo

According to ACI-NA statistics, SAN ranked 29th among U.S. airports for cargo tons handled in CY 2015. Air cargo tonnage, consisting of enplaned freight and mail, recovered to pre-recession levels at SAN in FY 2014 (Table 3-6). The Airport enplaned nearly 92 million tons of cargo the following year (FY 2015), the highest level of cargo tonnage recorded at SAN since FY2000. Total cargo tonnage declined only slightly in FY 2016, and remained above pre-recession levels.

Table 3-6: SAN Enplaned Cargo

	Mail (tons)		Air Freight (tons)		Total
Fiscal Year	**Weight**	**% of Total**	**Weight**	**% of Total**	**(tons)**
2006	12,924	15.3%	71,719	84.7%	84,644
2007	13,369	15.6%	72,092	84.4%	85,460
2008	12,950	17.4%	61,643	82.6%	74,593
2009	13,338	19.6%	54,813	80.4%	68,150
2010	13,088	18.9%	56,338	81.1%	69,427
2011	13,250	19.0%	56,445	81.0%	69,694
2012	13,574	17.2%	65,426	82.8%	79,000
2013	13,692	16.2%	70,879	83.8%	84,571
2014	14,175	15.8%	75,387	84.2%	89,562
2015	15,670	17.0%	76,239	83.0%	91,909
2016	15,798	17.4%	75,011	82.6%	90,809
			Compound Annual Growth Rate		
2006-2016	2.0%		0.4%		0.71%

Source: Airport Authority.

3.2.10 Commercial Aircraft Departures

Departures (landings) performed by commercial aircraft at SAN are shown in Table 3-7. Departures increased from 83,520 in 2012 to 88,305 in FY 2016, averaging 1.4 percent in growth annually. Departures decreased between FY 2015 and FY 2016, while enplanements increased. This trend potentially reflects the airlines' continuing efforts to increase load factors while operating aircraft with more seating capacity (mainline service). Subtotals for mainline and regional service in FY 2016 show mainline departures increased, while regional departures decreased.

Noncommercial operations at SAN include both Military and General Aviation (GA) flights. Flight records from the FAA's Terminal Area Forecast (TAF) show that around 800 military departures took place at the Airport in FY2016, while GA operations accounted for approximately 4,900 departures that year. Military departures increased in FY2015 (21 percent) and FY2016 (26 percent), after falling by around 56 percent between FYs 2009 and 2014. GA departures at SAN decreased by 36 percent through the Great Recession (FYs 2007-2009), but are showing signs of recovery in recent years. GA operations grew 4 percent in FY2015 and 3 percent in FY2016.

Table 3-7: SAN Landings by Airline by Fiscal Year

	Landings					Market Share				
Airline	**2012**	**2013**	**2014**	**2015**	**2016**	**2012**	**2013**	**2014**	**2015**	**2016**
Mainline										
Southwest	32,100	31,266	31,092	33,421	33,328	38.4%	36.8%	36.4%	37.7%	37.7%
American[1]	9,015	8,998	9,255	8,875	9,153	10.8%	10.6%	10.8%	10.0%	10.4%
United	9,539	8,905	8,725	8,187	8,401	11.4%	10.5%	10.2%	9.2%	9.5%
Delta	6,317	6,147	6,029	6,422	6,857	7.6%	7.2%	7.1%	7.2%	7.8%
Alaska	4,771	5,478	6,311	6,276	6,459	5.7%	6.5%	7.4%	7.1%	7.3%
Spirit	718	1,507	1,764	2,109	2,463	0.9%	1.8%	2.1%	2.4%	2.8%
Virgin America	1,465	1,667	1,657	1,713	1,983	1.8%	2.0%	1.9%	1.9%	2.2%
JetBlue	1,169	1,182	1,336	1,363	1,392	1.4%	1.4%	1.6%	1.5%	1.6%
Frontier	1,584	1,481	1,423	1,119	851	1.9%	1.7%	1.7%	1.3%	1.0%
Air Canada[2]	725	475	359	356	423	0.9%	0.6%	0.4%	0.4%	0.5%
Hawaiian	367	365	368	365	368	0.4%	0.4%	0.4%	0.4%	0.4%
Japan Airlines	-	112	365	365	366	0.0%	0.1%	0.4%	0.4%	0.4%
British Airways	364	356	363	363	364	0.4%	0.4%	0.4%	0.4%	0.4%
Other[3]	1,037	877	834	764	902	1.2%	1.0%	1.0%	0.9%	1.0%
Subtotal - Mainline	**69,171**	**68,816**	**69,881**	**71,698**	**73,310**	**82.8%**	**81.0%**	**81.9%**	**80.8%**	**83.0%**
Regional										
SkyWest[4]	7,352	9,594	8,924	8,681	5,637	8.8%	11.3%	10.5%	9.8%	6.4%
Compass	-	-	146	2,298	4,116	0.0%	0.0%	0.2%	2.6%	4.7%
Horizon[5]	106	1,400	1,538	1,429	976	0.1%	1.6%	1.8%	1.6%	1.1%
American Eagle[6]	3,586	1,832	965	-	-	4.3%	2.2%	1.1%	0.0%	0.0%
Subtotal - Regional	**11,044**	**12,930**	**12,189**	**13,721**	**11,496**	**13.2%**	**15.2%**	**14.3%**	**15.5%**	**13.0%**
All Cargo										
FedEx Express	1,278	1,248	1,274	1,266	1,383	1.5%	1.5%	1.5%	1.4%	1.6%
Other[7]	2,027	1,916	1,980	2,054	2,116	2.4%	2.3%	2.3%	2.3%	2.4%
Subtotal - All Cargo	**3,305**	**3,164**	**3,254**	**3,320**	**3,499**	**4.0%**	**3.7%**	**3.8%**	**3.7%**	**4.0%**
TOTAL	**83,520**	**84,910**	**85,324**	**88,739**	**88,305**	**100%**	**100%**	**100%**	**100%**	**100%**

[1] Landings combined for American and US Airways. American merged with US Airways in December 2013 and began operating as a single carrier in April 2015.
[2] Landings combined for Air Canada Rouge and Jazz Aviation.
[3] Includes airlines that ceased operating at SAN during the period shown and airlines that accounted for less than 0.4 percent of market share in 2016.
[4] Includes Delta Connection, United Express, US Airways Express (2012-2015) and American Airlines (2013).
[5] Operating as Alaska Airlines.
[6] Operating as American Airlines.
[7] Includes departures for Ameriflight, Air Transport Int'l, UPS Airlines, Atlas Air, and West Air.
Source: Airport Authority.

3.2.11 Commercial Aircraft Landed Weight

Table 3-8 shows increasing trends in aircraft landed weight at SAN. Landed weight increased from 10.8 billion pounds in FY 2012 to 12.1 billion pounds in FY 2016, growing at an average rate of 2.7 percent per year. The slower growth in landings over the same period implies that larger aircraft were operated at higher load factors to accommodate the increasing number of passengers at SAN.

Table 3-8: SAN Revenue Landed Weight by Airline by Fiscal Year

	Landed Weight (Thousand Pounds)[1]					2016 % of
Airline	**2012**	**2013**	**2014**	**2015**	**2016**	**Total**
Southwest	3,953,536	3,907,554	3,925,362	4,214,314	4,257,162	35.3%
American[2]	1,344,140	1,339,751	1,349,554	1,359,911	1,467,922	12.2%
United[3]	1,502,203	1,387,854	1,340,736	1,227,974	1,250,500	10.4%
Delta	1,047,068	1,023,608	1,016,878	1,077,103	1,153,074	9.6%
Alaska[4]	648,359	750,000	884,727	888,065	924,310	7.7%
FedEx	452,453	451,797	419,127	384,686	444,038	3.7%
SkyWest[5]	306,789	428,595	396,054	408,608	359,197	3.0%
Spirit	98,931	208,200	245,669	296,925	351,977	2.9%
Compass	-	-	10,979	172,754	307,793	2.6%
Visgin America[4]	208,253	235,934	232,136	240,781	281,411	2.3%
JetBlue	166,232	168,080	189,979	193,848	199,232	1.7%
British Airways	167,440	163,760	166,980	166,980	183,760	1.5%
Hawaiian	118,088	140,637	147,325	146,284	147,406	1.2%
Japan Airlines	-	47,125	138,700	138,700	139,080	1.2%
United Parcel Service	120,454	118,180	121,742	127,660	135,318	1.1%
Others	685,956	644,639	600,817	479,127	445,964	3.7%
TOTAL	**10,819,901**	**11,015,716**	**11,186,765**	**11,523,720**	**12,048,144**	**100.0%**

[1] Totals may not add due to rounding.
[2] Effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. American Airlines and US Airways began operating as a single airline (under the American brand) in October 2015. Landed weight is for both American and US Airways.
[3] On October 1, 2010, United Airlines and Continental Airlines merged. United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012. Landed weight is for both United Airlines and Continental Airlines.
[4] In December 2016, Alaska Air Group acquired Virgin America, Inc. Alaska and Virgin currently are operating under separate FAA certificates, but are expected to begin operating under one certificate in the first quarter of 2018.
[5] Affiliate of and doing business as United Express, Delta Connection, and Alaska Airlines.
[6] Affiliate of and doing business as American Airlines and Delta Air Lines.
Source: Airport Authority.

3.3 Forecast Commercial Aviation Activity

Forecasts are presented for three key measures of commercial aviation activity—enplanements, aircraft landings, and landed weight—for the period of FY 2017 through FY 2023. Forecast enplanement levels, in turn, determine the number of aircraft operations and corresponding landed weight, along with assumptions regarding trends in boarding load factors.

3.3.1 Hybrid Regression Forecast

The forecast for the first year is supply-driven, based primarily on published airline flight schedules for up to one year ahead. Airlines plan their schedules based on passenger bookings, and the schedules therefore reflect near-term market demand. The schedules also establish the baseline data on commercial aircraft operations. Beyond the first year, forecasts are demand-driven. Market demand factors drive growth in enplanements. The Hybrid Regression Forecast is based on Unison's hybrid modeling framework for unconstrained air travel demand forecasting. This hybrid modeling framework incorporates both scheduled air service supply and market demand drivers. The resulting forecast is supply-driven in the short run and demand-driven in the long run.

Multivariate time series regression analysis links enplanement growth to trends in market demand drivers. This approach combines elements of multiple regression and time series regression methods. This econometric modeling technique provides the ability to incorporate many explanatory variables, quantify the contribution of each explanatory variable to aviation activity trends, and account for time trends and any serial correlation in time series data. The model estimation process using the least squares method is designed to minimize forecast errors.

The regression model specification for SAN's passenger traffic is based on the underlying theory of consumer demand and the dynamics of traffic growth at the Airport. The regression coefficients that measure contributions of market demand drivers (explanatory variables) to SAN enplanement growth trends are estimated using historical annual data from 1993, controlling for the effects of any structural changes in air service and extra-ordinary events like the 2001 terrorist attacks. The estimated regression coefficients are then used to generate forecasts of SAN enplanements based on projected trends for the model explanatory variables.

For the regression model of passenger traffic, total enplanements serve as the dependent variable. The three key explanatory variables (independent variables) in the regression model of passenger traffic are two economic indicators and an indicator for price, as follows:

- Economic trends (two variables, one for regional economic trends and a second variable for national economic trends): The regression model includes two economic indicators: the real gross domestic product (GDP) for the San Diego-Carlsbad MSA to capture regional economic trends, and the U.S. unemployment rate to indicate national economic trends. GDP was selected to track regional economic trends because it provides a comprehensive measure of economic health that accounts for employment, incomes, production, trade, and other important indicators of the regional economy. The regression coefficient estimates for these variables confirm their expected effects on SAN enplanement trends. Holding all other factors constant, growth in regional real GDP and decreases in U.S. unemployment rate, indicating overall national economic growth, promote growth in SAN enplanements. Conversely, economic downturns and increases in unemployment decrease SAN enplanements.

- Airline yield trends: Consumer demand is inversely related to price. Demand increases when price decreases and decreases when price increases, if all other things are equal. The regression model uses the average real passenger yield at SAN as the indicator for the price of air travel. Passenger yield, which is the average revenue per passenger mile, is a better price indicator than the average fare, because it controls for trip distance.

The regression model also includes an explanatory variable to account for the adverse effects of the terrorist attacks in 2001 and the subsequent structural changes in the travel market and the airline industry. The terrorist attacks had profound effects on the airline industry and airports, including SAN. They caused a sharp decrease in enplanements, prompted more stringent security screening processes at airports that caused lasting changes in the demand for air travel, and they set in motion other structural changes in the airline industry.

Figure 3-12**,** Figure 3-13**,** and Figure 3-14 exhibit the historical and six-year projections of the three key explanatory variables (demand drivers) used in the regression model. Forecasts for regional and economic trends were obtained from Moody's Analytics, while projections for real yields at SAN were developed using the latest FAA Aerospace Forecast assumptions for growth in real yields.

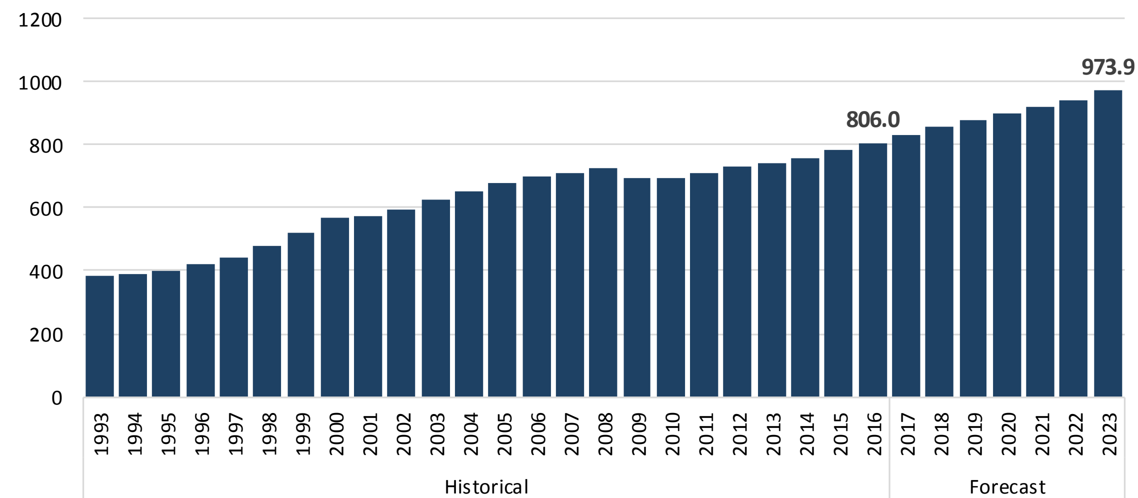
- Regional economic trends (Figure 3-13): Although San Diego's regional GDP decreased during the Great Recession, the economy recovered to pre-recession levels by 2012. Several cities across the country suffered a deep economic decline during the Great Recession, and did not recover as quickly. The enplanement slump experienced at SAN tracked closely with these changes in the regional economy. Subsequent increases in enplanements at SAN lagged the economic recovery of the San Diego MSA because air traffic demand at SAN is also affected by national economic trends (described in the next paragraph).[33] The relationship between changes in the regional economy and air traffic demand at SAN is captured in the multivariate regression model specifications. According to Moody's Analytics, San Diego's regional economy will continue to grow at an annual average rate of 2.7 percent through 2023. The long-term forecast does not anticipate any deep downturns in the regional economy.

- National economic trends (Figure 3-14): Reflecting improving national economic conditions, the U.S. unemployment rate has been declining steadily from a peak level of 9.6 percent reached in 2010. The 4.9 percent U.S. unemployment rate in 2016 reflects a national economy near full employment. According to Moody's Analytics' economic forecast, the U.S. unemployment rate will continue to decline for another three years before rising again, but it will not rise to levels reached during the Great Recession. It will rise to 5.4 percent in 2022 and then taper around 4.9 percent. The long-term forecast does not anticipate any national recession.

- Airline yield trends (Figure 3-15): The average real passenger yield at SAN mostly decreased for over a decade through FY 2005, including a sharp drop after FY 2001. The average passenger real yield at SAN has remained at the lower level since then. The FAA's most recent forecasts for mainline passenger yields do not anticipate significant changes during the forecast period.

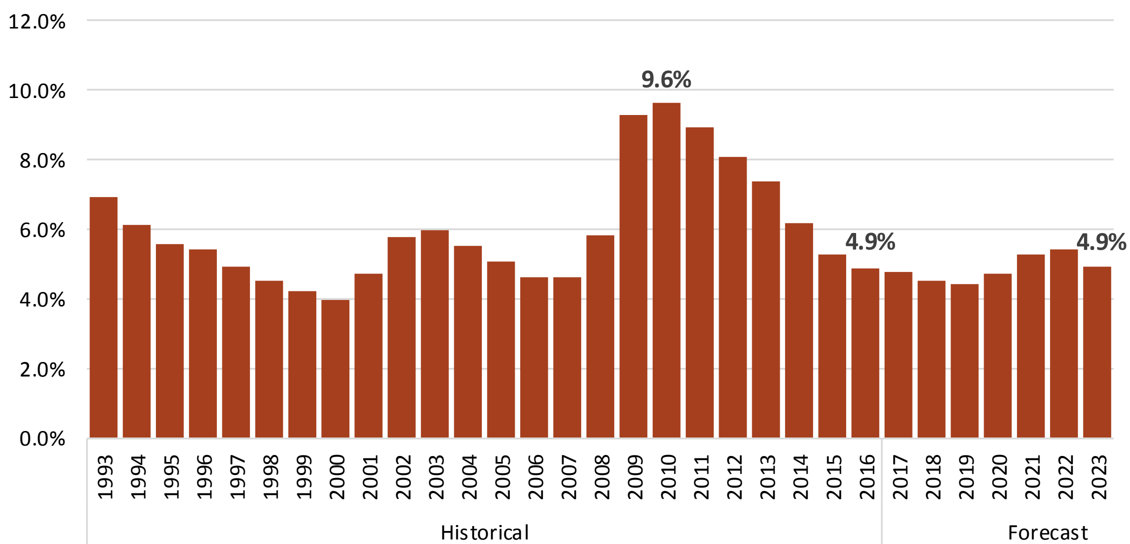
[33] Air traffic activity at SAN is not a function of solely the regional economy. Visitors who fly to SAN come from other parts of the nation, and that portion of the air traffic demand at SAN is influenced by national economic trends. In addition, the airline capacity increases at SAN lagged the economic recovery in the San Diego MSA, as a result of the capacity discipline implemented by the airlines nationwide during the Great Recession.

Figure 3-12: Real Gross Domestic Product (Billion Chained 2009$) - San Diego-Carlsbad MSA



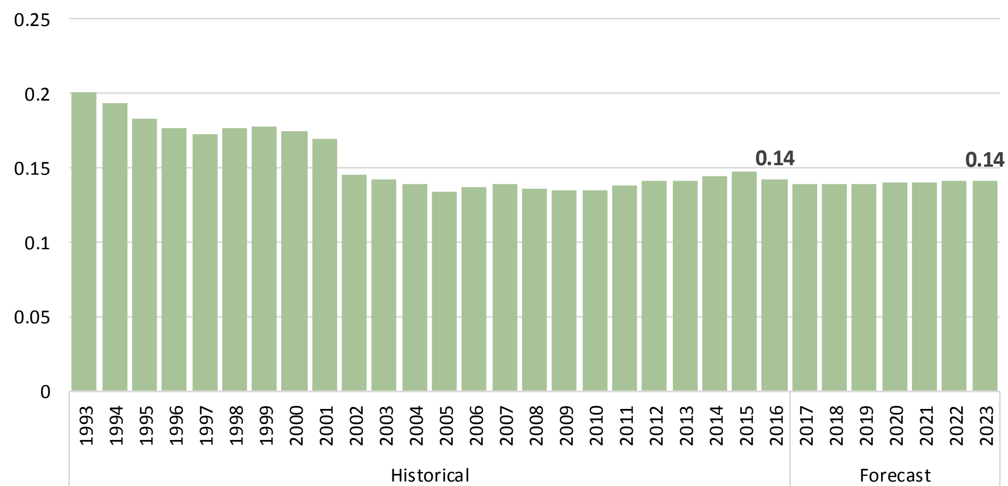
Sources: U.S. Bureau of Economic Analysis (BEA) and Moody's Analytics.

Figure 3-13: Unemployment Rate - U.S.



Sources: U.S. Bureau of Economic Analysis (BEA) and Moody's Analytics.

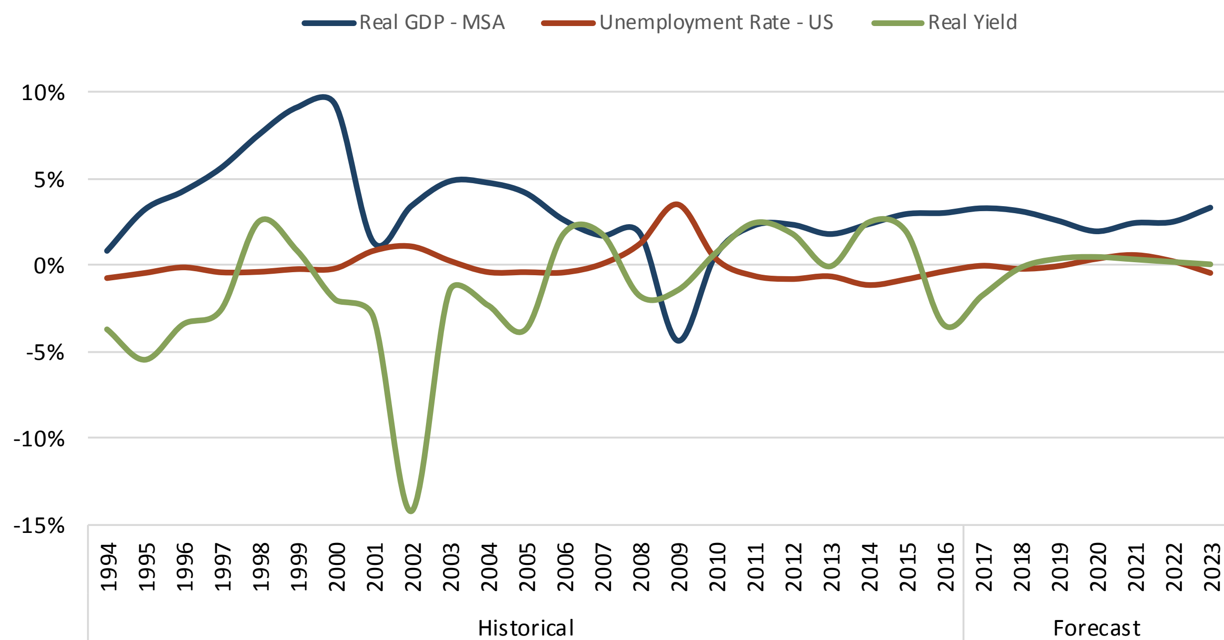
Figure 3-14: SAN Real Yields (2009$)



Fares below $50 are dropped from the sample to exclude frequent flier, nonrevenue and other discounted fare tickets.
Yields are reported in 2009 dollars to be consistent with the reference year of the real GDP estimates. The BEA rebased its real GDP estimates to chained 2009 dollars for the latest comprehensive revision.
Source: U.S. Bureau of Transportation Statistics (DB1B 10%-sample airline ticket survey) and FAA Aerospace Forecast: Fiscal Years 2017-2037.

Figure 3-15 shows the annual growth trends in the three key explanatory variables used in the regression model (regional GDP, U.S. unemployment rate, and real passenger yield at SAN). These three explanatory variables explain the variation in historical enplanement trends at SAN, and drive the forecast trends in the Airport's enplanements beyond 2017.

Figure 3-15: Changes in Key Explanatory Variables



Sources: U.S. Bureau of Transportation Statistics (DB1B 10% ticket survey) and Federal Aviation Administration for SAN real passenger yield; U.S. Bureau of Economic Analysis (BEA) and Moody's Analytics for real per capita GDP in the San Diego-Carlsbad, MSA and the U.S. unemployment rate.

3.3.2 Forecast Results

The model coefficient estimates measuring the contributions of market drivers to growth in SAN's enplanements, along with projections of trends in the three key market demand drivers (explanatory variables) discussed above (regional GDP, U.S. unemployment rate, and average real passenger yield at SAN), produce the forecast growth in enplanements beyond the first year of the forecast period. The regression model also accounts for the effects of the 2001 terrorist attacks on historical trends and controls for the serial correlation inherent in the time series data used for model estimation.

As stated previously in the discussion of the input variables of the regression model, the forecasts from Moody's Analytics do not anticipate any deep downturns in the regional economy or any national recession during the forecast period.

Recognizing uncertainty in the future trends of key market drivers, alternative forecasts were developed using Monte Carlo simulation. A comprehensive approach to forecast risk analysis Monte Carlo simulation uses probability distributions and random sampling techniques for assigning future values to the three key explanatory variables of the regression model. The simulation, involving 5,000 iterations, produced a wide range of possible scenarios for future enplanement growth and corresponding percentile rankings. Percentiles provide an indication of the likelihood of each of the forecast scenarios.[34]

Base Forecast

The regression analysis and assumptions produce the base enplanement forecast, which are slightly higher than the median result in the first two years of the forecast period, and decrease to levels between the median and 25-percentile ranges.

Under the base forecast, enplanements will increase from 10.5 million in FY 2017 to 11.8 million in FY 2023, growing at an average annual rate of 1.9 percent (Table 3-9). Aircraft landings will increase 1.4 percent from 91,000 in FY 2017 to 95,100 in FY 2023, while landed weight is projected to increase from 12.7 billion pounds to 13.6 billion pounds over the same period. The FAA's TAF estimates higher enplanements than the base forecast through FY 2023. However, these two projections appear to be converging towards the latter part of the forecast years. According to the TAF, annual enplanements will grow at an average rate of 2.5 percent, reaching 12.2 million in FY 2023—3 percent higher than the base forecast for that year.

Low Forecast

The low enplanement forecast is based on the 15-percentile Monte Carlo simulation result, which corresponds with an 85 percent probability estimate that actual enplanements will be equal to or greater than the 15-percentile level. This forecast scenario projects lower boarding load factors and decreases in the number of aircraft departures (landings). Enplanements are forecast to grow at an average annual rate of 1 percent, reaching 11.1 million in FY 2023, while aircraft landings remain lower than current levels (91,000).

Table 3-9 and Table 3-10 present the forecast results for the two scenarios.

[34] The probability distributions for the input variables in the Monte Carlo simulation were chosen from sampling distributions of their historic data.

Table 3-9: Base Forecast Commercial Aviation Activity by Fiscal Year

Air Traffic Measure	Actual						Forecast*							CAGR
	2011	2012	2013	2014	2015	2016	2017**	2018	2019	2020	2021	2022	2023	2017-23
Total enplanements (mill.)	8.45	8.59	8.74	9.08	9.71	10.21	10.51	10.76	10.94	11.04	11.18	11.39	11.79	1.9%
Annual growth rate		1.7%	1.7%	3.9%	6.9%	5.1%	3.0%	2.3%	1.7%	0.9%	1.3%	1.9%	3.5%	
Total aircraft departures (thous.)	83.7	83.5	84.9	85.3	88.7	88.3	91.0	91.0	92.5	93.2	93.4	93.9	95.1	0.7%
Annual growth rate		-0.2%	1.7%	0.5%	4.0%	-0.5%	3.0%	0.0%	1.6%	0.8%	0.2%	0.6%	1.3%	
Total landed weight (billion lbs.)	10.61	10.82	11.01	11.19	11.53	12.05	12.67	12.67	12.95	13.14	13.23	13.37	13.59	1.2%
Annual growth rate		2.0%	1.8%	1.6%	3.1%	4.5%	5.1%	0.0%	2.2%	1.4%	0.7%	1.1%	1.7%	
Avg. enplanements per passenger aircraft departure	101	103	103	106	109	116	116	118	118	118	120	121	124	
Avg. seats per passenger aircraft departure	131	133	132	135	138	146	150	150	151	152	153	154	154	
Avg. boarding load factor	77.0%	77.4%	77.7%	79.0%	79.2%	79.2%	77.0%	78.8%	78.4%	77.9%	78.4%	79.0%	80.4%	
Avg. aircraft landed weight (thousand pounds)	126.8	129.5	129.7	131.1	130.0	136.5	139.2	139.2	140.1	140.9	141.7	142.3	142.9	

* Except for FY2017, forecasts are based on the annual enplanement growth rates predicted from the regression model of enplanements under base growth assumptions for the trends in key demand drivers.
** The FY2017 forecast is based on available airline schedules for the last four months of the fiscal year.
CAGR: Compound average growth rate.

Table 3-10: Low Forecast Commercial Aviation Activity by Fiscal Year

Air Traffic Measure	Actual						Forecast*							CAGR
	2011	2012	2013	2014	2015	2016	2017**	2018	2019	2020	2021	2022	2023	2017-23
Total enplanements (mill.)	8.45	8.59	8.74	9.08	9.71	10.21	10.51	10.14	10.29	10.41	10.59	10.81	11.12	1.0%
Annual growth rate		1.7%	1.7%	3.9%	6.9%	5.1%	3.0%	-3.5%	1.5%	1.2%	1.7%	2.1%	2.9%	
Total aircraft departures (thous.)	83.7	83.5	84.9	85.3	88.7	88.3	91.0	91.0	87.4	87.9	88.3	89.2	90.5	-0.1%
Annual growth rate		-0.2%	1.7%	0.5%	4.0%	-0.5%	3.0%	0.0%	-4.0%	0.6%	0.5%	1.0%	1.5%	
Total landed weight (billion lbs.)	10.61	10.82	11.01	11.19	11.53	12.05	12.67	12.67	12.25	12.39	12.52	12.70	12.93	0.3%
Annual growth rate		2.0%	1.8%	1.6%	3.1%	4.5%	5.1%	0.0%	-3.3%	1.2%	1.0%	1.5%	1.9%	
Avg. enplanements per passenger aircraft departure	101	103	103	106	109	116	116	111	118	119	120	121	123	
Avg. seats per passenger aircraft departure	131	133	132	135	138	146	150	150	151	152	153	154	154	
Avg. boarding load factor	77.0%	77.4%	77.7%	79.0%	79.2%	79.2%	77.0%	74.3%	78.0%	78.0%	78.5%	79.0%	79.8%	
Avg. aircraft landed weight (thousand pounds)	126.8	129.5	129.7	131.1	130.0	136.5	139.2	139.2	140.2	141.0	141.8	142.4	143.0	

* Except for FY2017, forecasts are based on the annual enplanement growth rates predicted from the regression model of enplanements under low growth assumptions for the trends in key demand drivers.
** The FY2017 forecast is based on available airline schedules for the last four months of the fiscal year.
CAGR: Compound average growth rate.

Comparison of Enplanement Forecasts with Most Recent SAN Enplanement Forecast

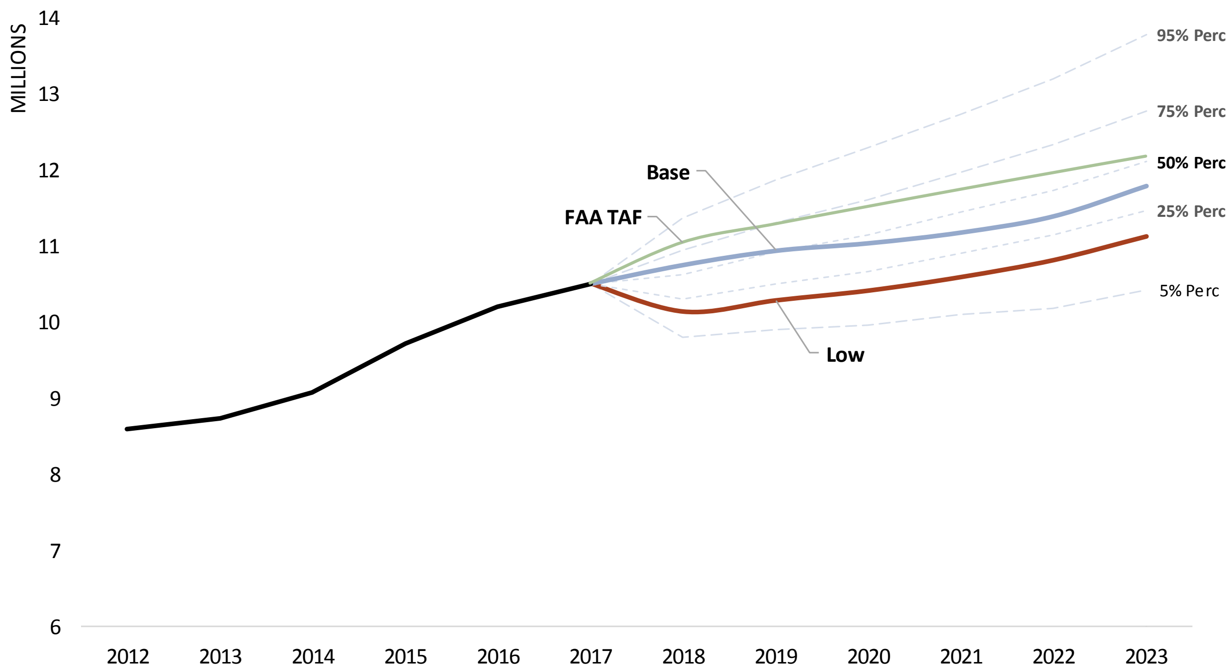
The base forecast enplanements are higher than the forecast enplanements in the most recent financial feasibility report prepared for SAN, in January 2014 (the "2014 Report").[35] At the time the 2014 Report was prepared, SAN enplanements had not yet recovered to their pre-Great Recession level. After decreasing in FY 2009, FY 2010, and FY 2011 (decreases of 9.1 percent, 1.0 percent, and 0.2 percent, respectively) in the aftermath of the Great Recession, enplanements at SAN increased slowly in FY 2012 and FY 2013 (increases of 1.6 percent and 1.9 percent, respectively), mirroring the slow pace of the economic recovery in those years. Therefore, the enplanement forecast prepared at that time was deliberately conservative, to reflect the high level of uncertainty surrounding the economic and other factors. Actual enplanements in FY 2014, FY 2015, and FY 2016 were higher than the base forecast in the 2014 Report (higher by 2.7 percent in FY 2014, 7.3 percent in FY 2015, and 10.3 percent in FY 2016). The updated forecasts in this Report reflect the strong rebound in passenger traffic in the past two years, so that the estimated FY 2017 enplanements in this Report are 12.1 percent higher than the forecast 2017 enplanements in the 2014 Report. During the remainder of the forecast period, the percentage difference between the base forecast enplanements in this report and the base forecast in the 2014 Report increases from 13.4 percent in FY 2018 to 16.7 percent in FY 2023.

Comparison of Enplanement Forecasts with FAA Terminal Area Forecast (TAF)

The FAA develops annual airport forecasts for planning, budgeting, and staffing purposes (the Terminal Area Forecast, or TAF). The most recent TAF was published in January 2017. Forecast publications lag more than a year behind forecast development, and so the latest TAF considers actual performance only through federal fiscal year 2015 (which ended on September 30, 2015). Figure 3-16 compares the FAA's TAF enplanement estimates with the range of forecast enplanements, which include select Monte Carlo simulation results. The base enplanement forecast, a low growth forecast, and the TAF enplanement estimates are highlighted for comparison. Although the FAA estimates higher enplanements than the base forecast through FY 2023, these two projections appear to be converging towards the latter part of the forecast years. According to the TAF, annual enplanements will grow at an average rate of 2.5 percent, reaching 12.2 million in FY 2023—3 percent higher than the base forecast for that year.

[35] Unison Consulting, Inc., *Financial Feasibility Report, San Diego County Regional Airport Authority, Senior Special Facilities Revenue Bonds (Consolidated Rental Car Facility Project), Series 2014A and Series 2014B,* January 23, 2014.

Figure 3-16: Comparison of SAN Forecast with FAA Terminal Area Forecast



FAA TAF enplanements are converted from Federal FYs to the Airport's FYs.
Sources: FAA Terminal Area Forecast (TAF) and Unison Consulting, Inc. (all other forecasts).

3.4 Sources of Forecast Risk and Uncertainty

The forecasts of aviation activity are based on information available at the time of analysis, measurable factors that drive air travel demand, and assumptions about the availability and characteristics of airline service at the Airport. Forecasts, however, are inherently uncertain. Broader factors affecting the aviation industry and the airport can cause the Airport's actual performance to differ from the forecasts. Several of these factors are discussed below.

3.4.1 Economic Conditions

National and regional economic conditions drive trends in the Airport's commercial aviation activity. Economic expansions increase income, boost consumer confidence, stimulate business activity, and increase air travel demand. In contrast, economic recessions reduce income, diminish consumer confidence, dampen business activity, and weaken air travel demand. The regional economy moves with the national economy. While the diversity of the regional economy helps temper the effects of business cycles, the regional economy can be vulnerable to a national economic recession as deep as the Great Recession in 2008-2009. During the Great Recession, the regional economy suffered declines in output (real GDP), income, and employment.

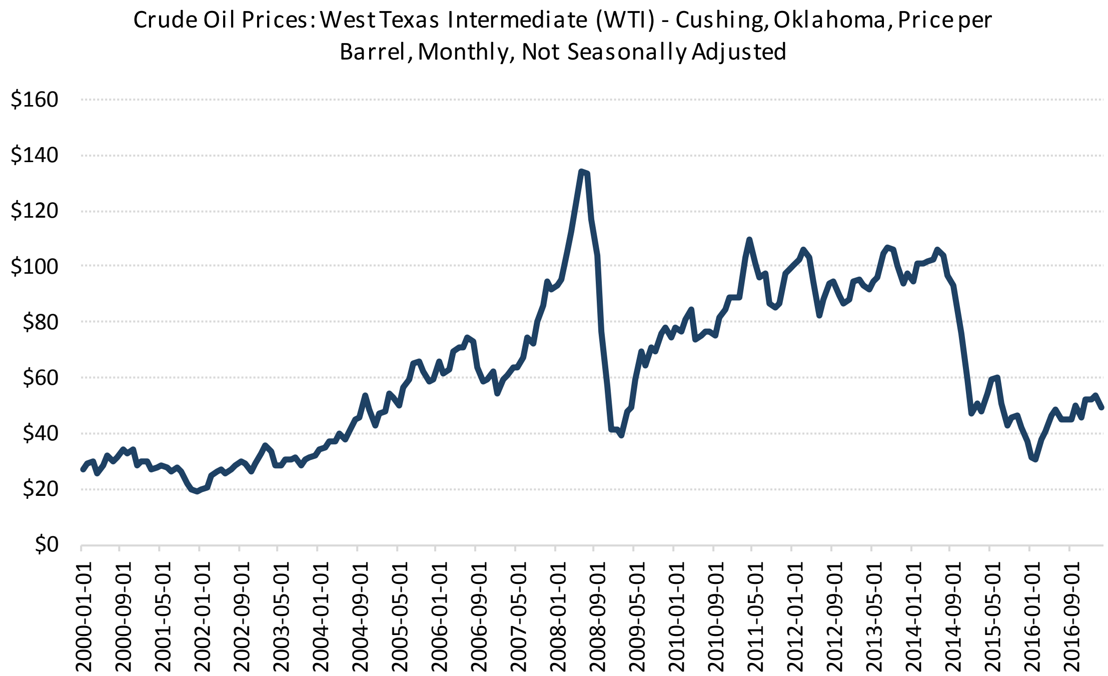
The U.S. economy is now on its eighth year of expansion after the Great Recession. Driven by growth in consumer spending and business investment, the U.S. economy is predicted by economic experts to continue growing over the next few years. While the probability of a recession remains low, many factors within the country and abroad present economic risks. The air traffic forecasts presented in this section are based on specific assumptions about future economic growth. As stated previously in the discussion of the input variables of the regression model, the forecasts from Moody's Analytics do not anticipate any deep downturns in the regional economy or any national recession during the forecast period. If the regional and national economy were to grow at a slower pace than projected, or experience another recession, the Airport's air traffic could fall short of the forecasts.

3.4.2 Trends in Oil Prices and Jet Fuel Prices

Oil prices affect one of the largest components of airline costs—jet fuel. The sharp increase in oil prices in the past decade, shown in Figure 3-17, resulted in huge financial losses in the U.S. airline industry, pushing many airlines into bankruptcy and prompting significant changes in airlines' operations and business practices.

World oil prices have declined since mid-2014. From a June 2014 peak near $106 per barrel, West Texas Intermediate (WTI) spot oil prices fell to their lowest level of around $30 per barrel in February 2016, before climbing to just under $47 in October 2016, as shown in Figure 3-18. Oil prices have recovered to over $52 as of January 2017, and the U.S. Energy Information Administration projects oil prices to average $52 per barrel this year. The U.S. Energy Information Administration does not anticipate oil prices to rise in 2017; however, upward price pressures are expected to emerge in 2018 as inventories decrease to match demand more closely. Ultimately, there is considerable ambiguity surrounding oil prices for the next few years. Geopolitical events, Organization of the Petroleum Exporting Countries (OPEC) production cuts, whether individual OPEC members adhere to those production cuts, and continuing technological improvements in U.S. oil production can push oil prices in either direction.

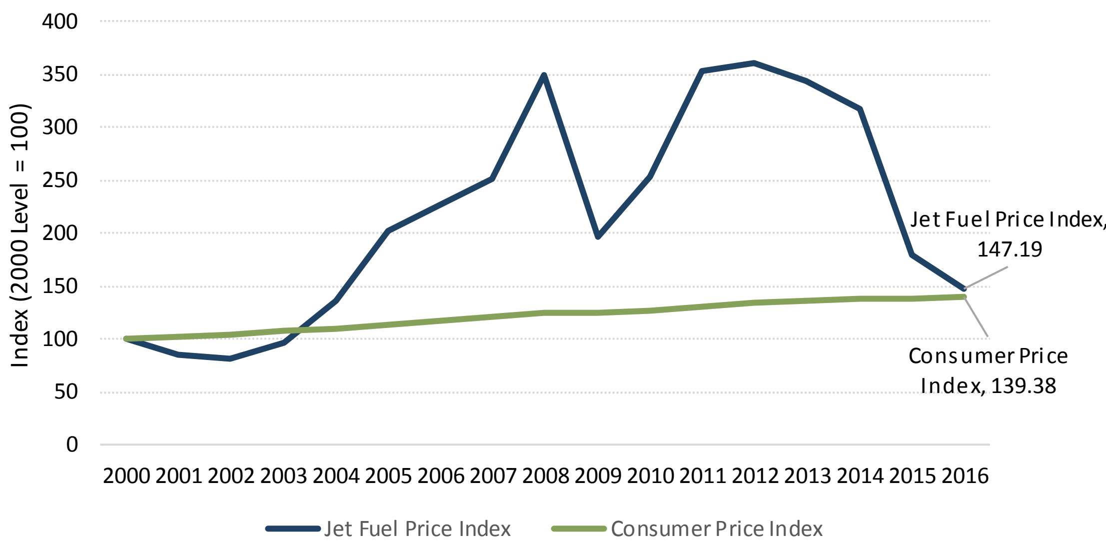
Figure 3-17: Crude Oil Prices



Sources: U.S. Energy Information Administration and Unison Consulting, Inc.

Jet fuel prices increased—reaching their highest levels in 2012—and decreased along with oil prices. Despite recent decreases, the overall increase in jet fuel prices (nearly 47 percent) from 2000 to 2016 was still greater than the general price increase (39 percent) over the same period (Figure 3-18). The sharp decrease in jet fuel prices since 2014 has contributed to record profits for airlines.

Figure 3-18: U.S. Jet Fuel and Consumer Price Indexes



Sources: U.S. Bureau of Transportation Statistics, U.S. Bureau of Labor Statistics, and Unison Consulting, Inc.

3.4.3 Financial Health of the U.S. Airline Industry

Airports benefit from stable and growing air service when airlines are profitable. They risk losing service, when airlines suffer financial hardship. The business of airlines is highly cyclical, intensely competitive, and capital intensive. Over the years, the U.S. airline industry has struggled to sustain profits. Today, the U.S. airline industry is finally reaping the benefits of business restructuring, capacity restraint, cost-cutting measures, and productivity improvements, helped by the recent decline in oil prices.

As shown in Figure 3-19, from 2000 to 2016, the U.S. airline industry incurred losses amounting to $83.9 billion in seven years, and made profits amounting to $94.3 billion in the other ten years. The period since 2010 has been one of the industry's most profitable, with industry profits averaging $9.4 billion each year. Airports have benefitted by seeing increases in airline service. Since 2015, SAN has enjoyed annual increases of at least 5 percent in scheduled airline seats.

Figure 3-19: Annual Net Profit of U.S. Passenger and Cargo Airlines (Billions)

Sources: U.S. Bureau of Transportation Statistics and Unison Consulting, Inc.

3.4.4 Performance of the Airport's Largest Carrier

The Airport's largest carrier is Southwest Airlines, which accounted for 38 percent of the Airport's FY2016 enplanements. Southwest's operating performance and business decisions have implications for the stability and growth of the Airport's traffic.

Southwest operates a network of 101 destinations in the United States and eight other countries with more than 3,900 departures a day during peak travel season. Based on the U.S. DOT's most recent airline traffic data, Southwest is the nation's largest carrier in terms of O&D passengers boarded. Southwest also holds the record of being the only U.S. airline that has been consistently profitable. In 2016, Southwest reported its 44th profitable year in less than 46 years of service. In 2016, Southwest earned a net income of $2.4 billion, a 10 percent increase from its net income in 2015, and more than double its net income in 2014.[36]

In the last 10 years, Southwest experienced a number of milestones: (1) the repeal of the Wright amendment, lifting restrictions in air service at Southwest's home base Dallas Love Field beginning in October 2014; (2) the acquisition of AirTran Airways, Inc., in May 2011; (3) access to gates at key U.S. airports (Ronald Reagan National, La Guardia, and Boston Logan) given up by American Airlines and US Airways as a condition of the Department of Justice approval of their merger in December 2013; and (4) the start of international service. These milestones allowed Southwest to expand its network. In 2013, Southwest broke ground on its five-gate, international facility at Houston's William P. Hobby Airport. This international facility was completed in October 2015 to

[36] Southwest Airlines Investor Relations at http://www.southwestairlinesinvestorrelations.com.

serve destinations in the Caribbean, Mexico, Central America, and the northern cities of South America.

To increase and introduce service at those other airports, Southwest had to cut capacity elsewhere, working within the constraints of its fleet and crew. San Diego International Airport suffered cuts in Southwest seats in 2009-2013,[37] along with other airports. Southwest has since increased its fleet and crew, and restored capacity at the Airport. The number of seats Southwest has scheduled at the Airport in 2017 exceeds the prior peak record set in 2008. The experience in 2009-2013, however, shows how the airlines' business decisions can affect passenger traffic at the Airport.

3.4.5 Airline Mergers

Airline mergers affect service and traffic at airports, when the merging airlines consolidate facilities, optimize route networks, and route connecting traffic through other hubs. The impact on affected airports is often immediate. The extent of the impact depends upon a number of considerations, including whether the merging airlines have a large market share at the Airport, whether they carry significant connecting traffic through the Airport, and whether they serve the same markets from the Airport.

Recent mergers include Delta and Northwest in 2008, United and Continental in 2010, Southwest and AirTran in 2011, American and US Airways in 2013, and Alaska and Virgin America in 2016. After the United-Continental merger, the combined seats of the two airlines at the Airport decreased beginning FY2011, and the decreases persisted through FY2015. Following the American-US Airways merger, their combined seats at the Airport increased each year through FY2016, except in FY2015. The decreases in Southwest's seats at the Airport following Southwest's acquisition of AirTran could not be clearly attributed to the merger, because of other developments affecting Southwest's network decisions at the time. The effects of the Alaska-Virgin America merger have yet to be seen. So far the combined seats of the two airlines at the Airport have increased—by 9 percent in FY2016 and 13 percent in FY2017.

3.4.6 Aviation Security, Health and Safety Concerns

Concerns about security, health, and safety influence consumer travel behavior. Even with tightened security measures implemented by the Department of Homeland Security, terrorism remains a serious threat to the aviation industry. Additionally, the stringent screening process and long waits at security screening lines discourage air travel particularly to destinations that can be reached by ground transportation within a reasonable amount of time. Health and safety concerns can also cause temporary dips in traffic in affected routes.

3.4.7 Structural Changes in Travel Demand

Consumers alter their travel patterns in response to changes at airports, changes in airline business practices, and changes in technology. For example, the stringent airport security screening and long wait times at the airports after the 2001 terrorist attacks decreased the demand for air travel for

[37] Based on OAG airline schedules data.

short-haul trips. Intense fare competition and the ease of comparison shopping allowed by the internet have made consumers more price-sensitive. Moreover, the widespread use of tele- and videoconferencing has decreased the need for business travel.

3.4.8 Competition from Other Nearby Airports

Section 2 identified the commercial service airports within 150 road miles of SAN, and discussed the extent by which each airport could compete with SAN for passenger traffic. With the exception of LAX (125 miles north of SAN), none of the other Southern California airports pose significant competition to SAN for passenger traffic. Across the border in Mexico, just 24 miles south of SAN, is the Tijuana Rodriguez International Airport (TIJ) serving mostly destinations in Mexico.

3.4.9 Airfield and Curfew Constraints

The Airport has a single runway, which will eventually cause congestion and limit traffic growth. Runway additions will be difficult because of the following obstacles: 1) significant geographic obstructions (including high terrain to the northeast and southwest of the Airport); 2) manmade obstructions, such as office buildings, to the northeast, east, and southeast of the Airport; 3) major land acquisition requirements; 4) extensive infrastructure impacts; 5) local resident opposition; and 6) increased noise impacts. According to the SAN Master Plan, runway congestion is anticipated to occur when annual aircraft operations reach between 260,000 and 300,000. Annual aircraft operations are not projected to reach this range during the forecast period.

Beyond the forecast period, the Next Generation Air Transportation System (NextGen) offers significant improvements to the air traffic control system that could increase SAN air traffic capacity, regardless of the constraint to airfield expansion. NextGen refers to the ongoing, wide-ranging transformation of the National Airspace System (NAS) including the change from a ground-based air traffic control system to a satellite-based management system.

In addition to airfield capacity restrictions, the Airport operations are subject to restrictions relating to noise abatement. Section 9.40 of the San Diego County Regional Airport Authority Code, which sets forth the regulations of the Authority that restrict and regulate certain operations at the Airport, prohibits aircraft departures between 11:30 p.m. and 6:30 a.m. Commercial passenger aircraft departures at SAN are scheduled outside of the restricted hours.

3.5 Summary

Passenger enplanements at SAN have been driven by growth in the region's population and economy. Enplanements trends have also tracked closely with the national business cycle, growing during economic expansions and declining during recessions. During the longest U.S. economic expansion of the 1990s, the SAN's enplanements grew steadily and reached 8 million in 2001. The Airport's passenger traffic then suffered a brief but significant decline in 2001, as a result of the September 11, 2001 terrorist attacks and a recession which ended the 10-year U.S. economic expansion.

The Airport enjoyed six consecutive years of growth after FY 2002, setting another record of 9.4 million enplanements in 2008. Demand weakened and airlines reduced capacity during the Great Recession and the early years of recovery, causing SAN's enplanements to decrease to 8.4 million in FY 2011. Enplanements at the Airport recovered after 2011, as the U.S. and the regional economies continued to grow, and as airlines added more capacity. SAN's passenger traffic surpassed the FY 2008 peak levels with a 7 percent year-over-year growth in FY 2015, and grew another 5 percent in FY 2016 to reach 10.2 million passengers.

To develop forecasts of commercial aviation activity, a hybrid modeling approach was taken. This approach provides a systematic framework for incorporating both scheduled air service supply and market demand drivers. The near-term forecast is capacity-driven, as it uses published airline schedules to project airport activity. The long-term forecast is demand-driven, where a multivariate time series regression model is developed to quantify the relationship between enplanement trends and market demand drivers: regional and national economic growth trends, changes in the price of air travel, and structural changes in the industry following September 11, 2001. Recognizing uncertainty in the key drivers of the enplanement regression model, risk analysis is performed using a sampling method known as Monte Carlo simulation.

A base forecast scenario and a low forecast scenario are provided, where the base forecast enplanements result from the regression model specification and assumptions. The low forecast scenario is based on 15-percentile results of the Monte Carlo simulation. In the base forecast scenario, enplanements at SAN are forecast to grow from 10.2 million in FY 2016 to 11.8 million in FY 2023. Based on assumptions regarding trends in boarding load factors, aircraft landings are expected increase 1.4 percent from 91,000 in FY 2016 to 95,100 in FY 2023, while landed weight is projected to increase from 12.7 billion pounds to 13.6 billion pounds over the same period. The low forecast scenario projects lower boarding load factors and decreases in the number of aircraft departures. In this scenario, enplanements are forecast to reach 11.1 million in FY 2023, while aircraft landings remain lower than current levels (91,000).

Section 4 Financial Analysis

This section reviews the framework for the financial operation of the Authority, including key provisions of bond indentures that govern the Authority's senior revenue bonds ("Senior Bonds") and subordinate revenue obligations ("Subordinate Obligations"). This section also (i) reviews the recent historical financial performance of the Authority, and examines the ability of the Authority to generate sufficient Net Revenues and Subordinate Net Revenues (as defined in the bond indentures and explained later in this Section)[38] in each Fiscal Year of the forecast period to meet the obligations of the bond indentures, and (ii) discusses the information and assumptions underlying the financial forecasts, which include Revenues, Operation and Maintenance Expenses ("O&M Expenses"), debt service requirements, and debt service coverage. The financial analysis presented in this section reflects the base case air traffic forecast scenario presented in Section 3.

4.1 Financial Framework

The Series 2017 Bonds are being issued as Subordinate Obligations under and subject to the terms of the Master Subordinate Trust Indenture, dated as of September 1, 2007 (the "Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association (the "Subordinate Trustee"), and a Fifth Supplemental Subordinate Trust Indenture, dated as of _____ 1, 2017 (the "Fifth Supplemental Subordinate Indenture"), by and between the Authority and the Subordinate Trustee. The Series 2017 Bonds are special obligations of the Authority, secured by and payable from the Authority's Subordinate Net Revenues and certain funds and accounts held by the Subordinate Trustee. Except as noted otherwise, all capitalized terms in this section have the meanings set forth in the Master Subordinate Indenture.

Prior to the issuance of the Series 2017 Bonds, the Authority has outstanding the following other long-term obligations that are secured by a pledge of Net Revenues or Subordinate Net Revenues of the Authority:[39]

- On January 30, 2013, the Authority issued $379.6 million of Senior Airport Revenue Bonds Series 2013A and Series 2013B ("Series 2013 Bonds"). The Series 2013 Bonds were issued as Senior Bonds pursuant to the Master Trust Indenture. The Series 2013 Bonds are special obligations of the Authority, secured by a pledge of and first lien on Net Revenues and certain funds and accounts held by the Senior Trustee.
- On October 5, 2010, the Authority issued $572.6 million of the Subordinate Series 2010, Series 2010B, and Series 2010C Bonds (the "Series 2010 Bonds"). The Subordinate Series 2010 Bonds were issued pursuant to the Master Subordinate Indenture and a Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010 (the "Second

[38] Capitalized terms not otherwise defined are used in this section as they are defined in the bond indentures.
[39] On February 1, 2014, the Authority issued $305.3 million of Senior Special Facilities Revenue Bonds (the "Series 2014 Bonds"), which are special limited obligations of the Authority, payable from and secured by a pledge of CFCs. The Series 2014 Bonds are not secured by a pledge of the Net Revenues or Subordinate Net Revenues of the Authority.

Supplemental Subordinate Indenture"), by and between the Authority and the Subordinate Trustee. The Series 2010 Bonds are special obligations of the Authority, secured by a pledge of Subordinate Net Revenues (as defined in the Master Subordinate Indenture), and certain funds and accounts held by the Subordinate Trustee.

The Authority also has short-term debt obligations. On March 27, 2017, the Board authorized the issuance of up to $125.0 million of Subordinate Airport Revenue revolving obligations with U.S. Bank National Association and up to $100.0 million of flexible drawdown bonds with RBC Municipal Products, LLC. These obligations are payable solely from and secured by a pledge of Subordinate Net Revenues, pursuant to the Master Subordinate Indenture.

Under the Master Senior Indenture, the Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least equal to the following amounts: (a) the aggregate annual debt service on any outstanding Senior Bonds; (b) the required deposits to any Senior Debt Service Reserve Fund; (c) the reimbursement owed to any credit provider or liquidity provider as required by a Supplemental Senior Indenture; (d) the interest on and principal of any indebtedness other than Outstanding Senior Bonds, including Subordinate Obligations; and (e) payments of any reserve requirement for debt service for any indebtedness other than Outstanding Senior Bonds, including Subordinate Obligations.

The Authority has also covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least equal to 125 percent of aggregate annual debt service on the Outstanding Senior Bonds. This provision is known as the "Senior Rate Covenant."

Under the Master Subordinate Indenture, the Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Subordinate Net Revenues at least equal to the following amounts: (a) the Aggregate Annual Debt Service required to be funded in each Fiscal Year on any Outstanding Subordinate Obligations; (b) the required deposits to any Subordinate Debt Service Reserve Fund; (c) the reimbursement owed to any credit provider or liquidity provider; (d) the interest on and principal of any indebtedness other than Special Facility Obligations, senior lien revenue bonds and Outstanding Subordinate Obligations, including obligations issued with alien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations; (e) payments of any reserve requirement for debt service for any indebtedness other than senior bonds and Outstanding Subordinate Obligations, including obligations issued with a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations.

The Authority has also covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues at least 110 percent of Aggregate Annual Debt Service on the Outstanding Subordinate Obligations. This provision is known as the "Subordinate Rate Covenant."

The Master Subordinate Indenture requires, as a condition to the issuance of new subordinate bonds, that the Authority demonstrate that it meets the requirements of the provision known as the "Additional Bonds Test (ABT)." The ABT requires that a certificate be prepared by a consultant between the date of pricing and the date of delivery of the subordinate bonds showing that:

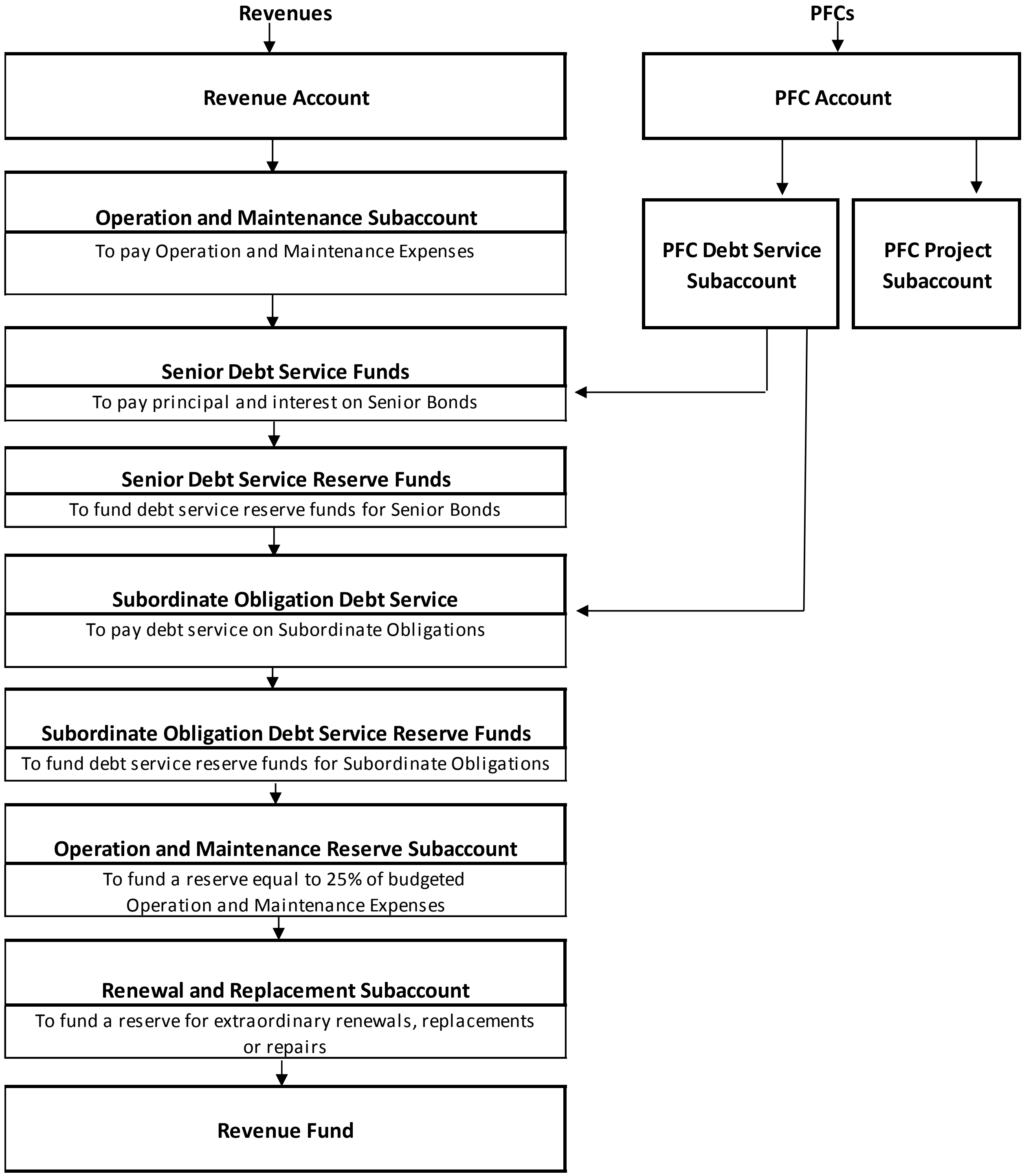
(i) the Subordinate Net Revenues for the last audited Fiscal Year or for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed subordinate bonds were at least equal to 110% of the sum of Subordinate Aggregate Annual Debt Service due and payable with respect to all Outstanding Subordinate Obligations for such applicable period;

(ii) for the period from and including the first full Fiscal Year following the issuance of the proposed new subordinate bonds through and including the last Fiscal Year during any part of which interest on the proposed new subordinate bonds is expected to be paid from the bond proceeds, the consultant estimates that the Authority will be in compliance with the rate covenant under the Master Subordinate Indenture; and

(iii) for the period from and including the first full Fiscal Year following the issuance of the proposed new subordinate bonds during which no interest on the proposed new subordinate bonds is expected to be paid from the bond proceeds through and including the later of: (A) the fifth full Fiscal Year following the issuance of the bonds, or (B) the third full Fiscal Year during which no interest on the bonds is expected to be paid from the proceeds of the bonds. the estimated Subordinate Net Revenues for each such Fiscal Year, will be at least equal to 110% of the Subordinate Aggregate Annual Debt Service for each such Fiscal Year with respect to all outstanding Subordinate Obligations, Unissued Subordinate Program Obligations and calculated as if the proposed series of Subordinate Obligations and the full Authorized Amount of such proposed Subordinate Program Obligations were then outstanding.

Figure 4-1 illustrates the application and priority in the uses of Revenues and PFCs, as specified in the Master Senior Indenture, the Master Subordinate Indenture, and the PFC Resolution.

Figure 4-1: Flow of Funds



Note: During a Fiscal Year, all PFCs in the PFC Account will be first deposited into the PFC Debt Service Subaccount until an amount equal to the PFCs irrevocably committed by the Authority to the payment of debt service on the Senior Bonds and/or the Subordinate Obligations for such Fiscal Year has been deposited to the PFC Debt Service Subaccount. No PFCs will be deposited to the PFC Project Subaccount during a Fiscal Year until the PFC Debt Service Subaccount has been fully funded.

4.1.1 The Airport System Accounting and Financial Reporting

The basic financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting, which means that revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Independent Auditor's Report for the years ended June 30, 2016 and 2015 states that, in the opinion of the independent auditors, the Authority's financial statements for those years were presented in conformity with accounting principles generally accepted in the United States of America. Financial information is presented based on the Authority's fiscal year beginning July 1 of each calendar year and ending on June 30 of the succeeding calendar year. The Authority's FY 2016 financial statements show that as of June 30, 2016, the Authority had total assets of approximately $2,217.4 million, total liabilities of $1,439.8 million, and total net assets of approximately $777.6 million.

Table 4-1 summarizes the Authority's operating results for FY 2012 through FY 2016 presented in the financial statements, the Net Revenues presented in this Report, and a reconciliation between the two presentations. The Net Revenues presented in this Report are calculated pursuant to the definitions of Revenues, Operation and Maintenance Expenses ("O&M Expenses"), and Net Revenues included in the Master Senior Indenture – with the exception of grant reimbursements. Grant reimbursements are included in the definition of Revenues in the Master Senior Indenture, but are excluded from the projections of Revenues in this Report, in order to reflect only the ongoing operations of the Authority. The reconciling items between the annual Operating Profit or Loss reported in the financial statements and the Net Revenues presented in this Report consist of depreciation and amortization expense[40], interest income (excluding interest earned on unspent PFCs and CFCs)[41], RCC busing expenses paid with CFCs[42], actuarial liability adjustments[43], and the Joint Studies Program expenses[44].

[40] Depreciation and amortization expense is included in Operating Expenses in the audited financial statements, but is excluded from the definition of O&M Expenses in the Master Senior Indenture.
[41] Interest Income, excluding interest earned on unspent PFCs and CFCs, is included in the definition of Revenues in the Master Senior Indenture, but is not included in the calculation of Operating Profit or Loss on the audited financial statements because it is classified as Non-Operating Revenue.
[42] The definition of O&M Expenses in the Master Senior Indenture excludes expenses paid with CFCs (the definition of Revenues excludes CFC revenue).
[43] Actuarial liability adjustments are non-cash accounting entries made by the Authority to comply with reporting requirements for the audited financial statements.
[44] Joint Studies Program expenses are included in the definition of O&M Expenses in the Master Senior Indenture, but are not part of the calculation of Operating Profit or Loss on the financial statements because they are included in Non-Operating Expenses.

Table 4-1: Historical Financial Results

Category	Fiscal Years Ended June 30				
	2012	2013	2014	2015	2016
Audited Statement of Revenues and Expenses					
Operating Revenues	$153,549,960	$177,497,814	$195,736,837	$210,505,247	$233,994,051
Less: Operating Expenses	(163,701,280)	(168,420,028)	(214,025,911)	(217,808,842)	(237,228,768)
Operating Gain (Loss)	**($10,151,320)**	**$9,077,786**	**($18,289,074)**	**($7,303,595)**	**($3,234,717)**
Net Revenues per Master Senior Indenture					
Revenues	$158,311,784	$181,051,930	$199,834,430	$214,770,544	$238,640,326
Less: O&M Expenses	(118,941,148)	(126,662,546)	(136,604,105)	(142,781,639)	(151,327,220)
Net Revenue per Master Senior Indenture	**$39,370,636**	**$54,389,383**	**$63,230,325**	**$71,988,905**	**$87,313,106**
Reconciliation					
Operating Gain (Loss) per Financial Statements	($10,151,320)	$9,077,786	($18,289,074)	($7,303,595)	($3,234,717)
Add: Depreciation and Amortization Expense	44,532,069	41,623,629	77,205,256	77,558,961	83,577,615
Add: Interest excluding interest on PFCs and CFCs	5,062,722	3,743,222	4,465,998	4,557,393	4,930,292
Add: RCC Expenses	0	0	0	28,000	3,655,876
Deduct: Adjustment for Actuarial Liability	0	0	0	(2,711,376)	(1,514,601)
Deduct: Joint Studies Program	(72,835)	(55,254)	(151,855)	(140,478)	(101,359)
Net Revenue per Master Senior Indenture	**$39,370,636**	**$54,389,383**	**$63,230,325**	**$71,988,905**	**$87,313,106**

Please see discussion, including footnotes, on page 4-3 for explanation of the reconciling items.

4.1.2 Airline Rates and Charges

The Authority collects landing fees, terminal rentals, aircraft parking fees, security surcharges, FIS facilities charges, and other fees from the airlines operating at the Airport to support the operation and maintenance of the facilities used by the airlines. The Authority has entered into separate, but substantially similar, Airline Operating and Lease Agreements (the "Airline Agreements") with the air carriers operating at SAN (the "Signatory Airlines"). The Airline Agreements cover the use of and rate-setting mechanisms for the airfield and terminal facilities at SAN. The Airline Agreements have a term commencing on July 1, 2013 and terminating on June 30, 2018, unless terminated earlier pursuant to their terms. The Signatory Airlines and the Authority have begun negotiating a new airline operating and lease agreement, which the Authority expects to be effective by July 1, 2018. Since the negotiations with the Signatory Airlines are in their preliminary stages, the Authority cannot predict if certain terms of the new agreements will be materially different from the existing agreements. If a new agreement is not entered into by July 1, 2018, the Signatory Airlines will continue to operate at SAN under the terms of the current Airline Agreements on a month-to-month basis. The financial analyses and projections in this section assume that the new airline operating and lease agreement will have substantially the same rate making provisions as included in the current Airline Agreements.

The calculation methodologies for the airline rates and charges, as specified in the current Airline Agreements, include a cost center residual methodology for the landing fee and a cost center compensatory methodology for the terminal rental rate. The calculations for the projected landing fee and the terminal rental rate during the forecast period are presented later in this section. The airline revenue projections presented in this section reflect the current airline rate methodology.

4.2 Operation and Maintenance Expenses

The Master Senior Indenture defines "Operation and Maintenance Expenses," or "O&M Expenses," as the total operation and maintenance expenses of the Airport as determined in accordance with generally accepted accounting principles, excluding depreciation expense and any operation and maintenance expenses payable from moneys other than Revenues, such as PFCs, and CFCs. Table 4-2 presents historical O&M Expenses for the period FY 2012 through FY 2016. Total O&M expenses increased from approximately $118.8 million in FY 2012 to approximately $151.3 million in FY 2016, representing an average annual increase of 6.2 percent during the historical period, in part due to the additional obligations resulting from the new facilities that opened in the last few years, including the Terminal 2 expansion and other components of the Authority's prior capital program ("The Green Build"), and the RCC, which opened in FY 2016. The historical changes in the various categories of O&M Expenses are discussed in the subsections below.

During the forecast period, total O&M Expenses are projected to increase to approximately $195.0 million in FY 2023, as shown on Table 4-3. The projections of O&M Expenses reflect the Authority's FY 2017 and FY 2018 budgets; anticipated future expense trends, including an inflation factor; and the projected operating expense impacts of the capital projects, including projects in the Capital Program. The projected changes in the various elements of projected O&M Expenses are explained in the sub-sections below. FY 2017 O&M Expenses are estimated to total approximately $155.7 million, an increase of 2.9 percent over FY 2016. In FY 2018, O&M Expenses are budgeted to increase 6.7 percent, to $166.1 million. The Authority anticipates that the annual growth in total O&M Expenses will slow after FY 2018 through the remainder of the forecast period, due to the Authority's ongoing commitment to limit increases in expenses. Authority management has outlined a number of cost saving initiatives that could be implemented if needed, to meet that commitment. Therefore, the projections of O&M Expenses in this Section are based on management's commitment and plan.

Table 4-2: Historical O&M Expenses

	Fiscal Years Ended June 30				
O&M Expense Categories	**2012**	**2013**	**2014**	**2015**	**2016**
Personnel	$37,236,512	$38,092,408	$39,135,284	$41,922,736	$43,581,971
Contractual Services	26,905,517	29,283,526	31,557,740	32,394,011	34,555,503
Safety and Security	22,625,169	23,994,020	24,150,563	23,464,483	28,721,250
Utilities	6,674,423	6,659,333	8,680,410	10,151,923	11,479,888
Maintenance	8,496,587	11,204,464	13,981,690	14,515,948	14,121,740
Space Rent	11,414,838	10,897,338	10,478,262	10,433,251	10,367,148
Business Development	2,093,166	2,444,367	2,661,222	2,484,624	2,391,259
Other Expenses	3,494,935	4,087,090	5,958,934	7,414,662	6,108,460
Total O&M Expenses	**$118,941,148**	**$126,662,546**	**$136,604,105**	**$142,781,639**	**$151,327,219**

Source: Authority records. This table presents O&M Expenses as defined in the Master Senior Indenture.

Table 4-3: Projected O&M Expenses

	Fiscal Years Ending June 30						
	Estimate	Projected					
O&M Expense Category	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Personnel	$43,652,845	$47,920,155	$51,242,527	$53,017,451	$54,857,506	$56,765,239	$58,743,304
Contractual Services	37,782,285	38,426,350	39,410,948	41,593,276	42,841,074	44,126,307	45,450,096
Safety and Security	28,754,692	31,064,556	32,964,718	33,953,659	34,972,269	36,021,437	37,102,080
Utilities	11,399,247	12,250,493	12,933,070	13,321,062	13,720,694	14,132,315	14,556,284
Maintenance	14,232,530	15,352,342	15,315,254	15,774,712	16,247,953	16,735,392	17,237,453
Space Rent	10,190,750	10,190,750	10,190,750	10,190,750	10,190,750	10,190,750	10,190,750
Business Development	2,670,902	3,744,934	3,128,614	3,222,472	3,319,147	3,418,721	3,521,283
Other Expenses	7,058,029	7,189,367	7,291,572	7,510,319	7,735,628	7,967,697	8,206,728
Total O&M Expenses	$155,741,280	$166,138,947	$172,477,452	$178,583,702	$183,885,021	$189,357,857	$195,007,978

This table presents O&M Expenses as defined in the Master Senior Indenture.

4.2.1 Personnel

Personnel is the largest category of O&M Expenses, representing approximately 28.8 percent of total O&M Expenses in FY 2016. Personnel expenses increased from approximately $37.2 million in FY 2012 to $43.6 million in FY 2016. The increases were primarily attributed to increased staffing resulting from the Terminal 2 expansion and related facilities included in The Green Build, salary increase, and higher costs for pension and medical benefits.

Personnel expenses are estimated to increase slightly in FY 2017, to approximately $43.7 million in FY 2017. Personnel expenses are budgeted to increase 9.8 percent in FY 2018, to $47.9 million, and 6.9 percent in FY 2019, to $51.2 million. These increases are due to anticipated increases in pension costs associated with updated actuarial estimates of the Authority's pension liability, salary increases, and the planned addition of new personnel positions. Personnel expenses are projected to increase 3.5 percent per year in FY 2019 and subsequent years, to reflect future salary increases and rising pension costs. Personnel expenses are projected to increase to approximately $58.7 million in FY 2023.

4.2.2 Contractual Services

The Contractual Services category represented approximately 22.8 percent of total O&M Expenses in FY 2016. It consists primarily of fees incurred for contracts for services supplied by vendors, such as janitorial services for the terminals, parking management costs, contracts with facility development consultants, legal consultants, and other consultants. Contractual Services increased from approximately $26.9 in FY 2012 to $34.6 million in FY 2016. The large increases in FY 2013 FY 2014 were mainly due to increased consulting services such as ramp control professional services and new software related to the new facilities constructed as part of The Green Build. The large increase in FY 2016 was due to increases in the parking operation expenses.

Contractual Services are estimated to increase to approximately $37.8 million in FY 2017 and $38.4 million in FY 2018, mainly due to anticipated wage increases on various contracts and increases in shuttle bus operating expenses. Contractual Services are projected to increase 3.0 percent per year in FY 2019 through FY 2023, plus an additional increase in FY 2020 (for a total increase of 5.5 percent in FY 2020). The larger increase in FY 2020 is due to the anticipated effects of the completion of a storm water treatment system, which is projected to result in additional expenses for period replacements of water filters and other materials, plus contractual services personnel to maintain the system. Contractual Services are projected to increase to approximately $45.5 million in FY 2023.

4.2.3 Safety and Security

Safety and Security expenses totaled $27.7 million in FY 2016, or 18.1 percent of total O&M Expenses. The largest component of the Safety and Security is the cost of Harbor Police services ($18.8 million, or 67.7 percent of Safety and Security expenses in FY 2016). The Act that created the Authority mandates that the Authority use the services of the Harbor Police for Airport security. Approximately $6.0 million, or 21.5 percent of Safety and Security expenses, represented the costs of the Airfield Rescue and Fire Fighting ("ARFF") services provided by the City of San Diego in FY 2016. Total Safety and Security expenses increased from $22.6 million in FY 2012 to $28.7 million in FY 2016. Most of the increases were due to increased Harbor Police expenses. In FY 2013, Harbor Police expenses increased by $1.9 million, or 12.6 percent, due to higher salary and benefit expenses associated with a new agreement negotiated with Harbor Police. In FY 2016, Harbor Police expenses increased by approximately $3.9 million, or 24.6 percent, due to increased law enforcement training and benefit costs, and the reclassification of maintenance costs for the security system from Maintenance to Safety and Security.

Safety and Security expenses are estimated to increase to approximately $28.8 million in FY 2017. The increase is mainly attributable to the reclassification of the Access Control System expenses from the Maintenance expense category. Safety and Security expenses are budgeted to increase to $31.1 million in FY 2018, due to additional anticipated cost of living and retirement cost increases for Harbor Police. This expense category is projected to increase 3.0 percent per year from FY 2019 through FY 2023, and total approximately $37.1 million in FY 2023.

4.2.4 Utilities

Utilities expenses increased from approximately $6.7 million in FY 2012 to $11.5 million in FY 2016. The largest annual increase occurred in FY 2014, when Utilities increased approximately $2.0 million or 30.3 percent, mainly due to increased rates and additional utilities usage resulting from the opening of the Terminal 2 expansion and the other components of The Green Build. Utilities expenses increased an additional $1.5 million, or 17.0 percent, in FY 2015, reflecting the effects of the first full year of the operation of the Terminal 2 expansion and the other components of The Green Build. Utilities expenses increased 13.1 percent in FY 2016, mainly as a result of higher rates and increased power usage associated with the RCC's opening in January 2016.

In FY 2017, Utilities expenses are estimated to total less than the FY 2016 total – approximately $11.4 million. Utilities expenses are budgeted to increase 7.5 percent in FY 2018, to $12.3 million and 5.6 percent in FY 2019, to $12.9 million, mainly due to rate increases and increased usage related to the Terminal 2 Parking Plaza and the Terminal 2 FIS Buildout. Utility expenses are projected to increase 3.0 percent per year in FY 2020 through FY 2023, to approximately $14.6 million in FY 2023.

4.2.5 Maintenance

Maintenance expenses increased from approximately $8.3 million in FY 2012 to $11.2 million in FY 2013 and $14.0 million in FY 2014. This expense category increased more modestly in FY 2015, to $14.5 million and decreased to $14.1 million in FY 2016. The significant increases in FY 2013 and FY 2014 were mainly due to the costs of elevator and escalator repairs, sinkhole repair, runway restriping, and other airfield repairs. The decrease in FY 2016 was due to the reclassification of maintenance costs for the security system from Maintenance to Safety and Security

Maintenance expenses are estimated to decrease to approximately $14.2 million in FY 2017. The costs of the Access Control System were reclassified and are included in Safety and Security expenses (which caused a corresponding increase in that expense category in FY 2017, as explained above). Maintenance expenses are budgeted to increase to $15.3 million in FY 2018, mainly due to anticipated increases in annual repair and service contracts. Maintenance expenses are projected to increase 3.0 per year in FY 2019 and subsequent years, to approximately $17.2 million in FY 2023.

4.2.6 Space Rent

Space rental expense consists of lease payments to the Port District for properties adjacent to the Airport, including the former General Dynamics, Teledyne Ryan, and Harbor Island parcels. Space rental payments decreased from approximately $11.4 million in FY 2012 to $10.9 million in FY 2013 and $10.5 million in FY 2014, mainly due to the cancellation of a land lease for employee parking during FY 2013 (with the full year effect in FY 2014). Space rent decreased to $10.4 million in FY 2015 and FY 2016 due to the termination of a lease with the Port District related to the FBO area.

FY 2017 Space rental expense is estimated to total approximately $10.2 million, a decrease of $0.3 million from FY 2016, due to the termination of the lease with the Port District for the Taxi Hold Lot, which was relocated to Airport property. This line item is budgeted to remain constant at $10.2 million in FY 2018 and throughout the remainder of the forecast period, reflecting the long-term nature of the Authority's remaining leases with the Port District.

4.2.7 Business Development

The business development expense category includes costs for advertising, membership and dues, postage and shipping, promotional activities and materials, and travel. Business development expenses fluctuated between $2.1 million and $2.7 million during the period of FY 2012 through FY

2016, and totaled $2.4 million in FY 2016. The fluctuations were mainly due to increased advertising expenses and expenditures for promotional materials related to the completion of The Green Build and air service development efforts.

Business Development expenses are estimated to total approximately $2.7 million in FY 2017, an increase of 11.7 percent over the FY 2016 amount. The increase was mainly due to advertising expenses related to new domestic and international air service initiatives; advertising of changes in the public parking facilities, including changes related to the construction of the Terminal 2 Parking Plaza; and the concession marketing program. Business Development expenses are budgeted to increase to $3.7 million in FY 2018 due to sponsorship expenses for the American Association of Airport Executives, promotional expenses related to the Airport's 90th anniversary, and continued expenses related to the concession marketing program. After the completion of the unusual advertising and promotional expenses in FY 2017 and FY 2018, Business Development expenses are anticipated to decrease to $3.1 million in FY 2019, and then increase 3.0 percent per year thereafter, to $3.5 million in FY 2023.

4.2.8 Other Expenses

Other expenses include employee development and support; equipment rentals and repairs; insurance; operating equipment and systems; operating supplies; and other expenses. The total amount of these expense categories increased from approximately $3.5 million in FY 2012 to $4.1 million in FY 2013, $6.0 million in FY 2014, and $7.4 million in FY 2015 before decreasing to $6.1 million in FY 2016. Much of the large increase in FY 2014 was due to increased costs associated with Common Use Systems and Flight Information Display Systems (FIDS) resulting from the completion of the Terminal 2 Expansion. The additional increase in FY 2015 was caused by purchases of additional equipment for information technology and security needs. Adding to the increases in both FY 2014 and FY 2015 was the addition to the Authority's property insurance policy of the facilities included in The Green Build (completed in FY 2014, with the first full year of operation in FY 2015). These additions caused an increase in the appraisal of the insurable values included in the Authority's property insurance policy.

The expense category aggregated as "Other Expenses" is projected to total approximately $7.1 million in FY 2017 and is budgeted to total $7.2 million in FY 2018. A main factor in these increases is an increase in insurance expense, due to increases in the insurance rates, and the addition of Pollution Liability insurance. Total Other Expenses are projected to increase 3.0 percent per year in FY 2019 and subsequent years, to approximately $8.2 million in FY 2023.

4.3 Debt Service and Amortization Charges

As discussed in Section 1, the Authority's Capital Program includes the Terminal 2 Parking Plaza and the Terminal 2 FIS Buildout, which are being funded with a portion of the proceeds of the Series 2017 Bonds. The sources and uses of the Series 2017 Bonds are presented on Table 4-4.

Table 4-4: Sources and Uses of the Series 2017 Bonds

	Series 2017A	Series 2017B	Total Series 2017
Sources			
Par Amount	$157,030,000	$156,850,000	$313,880,000
Premium	18,361,631	14,487,240	32,848,871
Total Sources	$175,391,631	$171,337,240	$346,728,871
Uses			
Project Fund	$129,477,640	$159,000,000	$288,477,640
Repayment of Short-Term Obligation	32,550,000	-	32,550,000
Debt Service Reserve Fund	10,204,250	10,164,750	20,369,000
Capitalized Interest	1,588,393	601,858	2,190,251
Underwriters Discount	628,120	627,400	1,255,520
Costs of Issuance and Rounding	943,228	943,232	1,886,460
Total Uses	$175,391,631	$171,337,240	$346,728,871

Source: Frasca & Associates, LLC, based upon market rates as of May 24, 2017 plus 50 basis points

The debt service requirements projected during the forecast period are presented on Table 4-5. In addition to the issuance of the Series 2017 Bonds, the Authority anticipates issuing bonds in 2018 (the "Series 2018 Bonds") in the second half of calendar year 2018. This financial analysis assumes that the Series 2018 Bonds will be issued as Senior Lien bonds. In addition, the Authority plans to continue utilizing its authorized line of credit during the forecast period, to provide funding needed on a short-term basis for projects in the Capital Program. The debt instruments assumed to remain outstanding during the forecast period are the following:

- Senior Lien debt
  - Series 2013A and Series 2013B Bonds
  - Series 2018 Bonds (assumed to fund future projects in the Capital Program)
- Subordinate Lien debt
  - Series 2010A, Series 2010B, and Series 2010C Bonds
  - Series 2017A and Series 2017B Bonds
  - Short-term obligations

Annual debt service for the Series 2017 Bonds is projected to equal approximately $17.8 million in FY 2018, $19.8 million in FY 2019, and $20.4 million in FY 2020 through FY 2023. The annual debt service requirements, as estimated by Frasca & Associates, LLC, are based on an assumed annual interest rate of approximately 4.2 percent and are net of estimated capitalized interest.

Annual debt service requirements on the Series 2018 Bonds, as estimated by Frasca & Associates, LLC, are based on an annual interest rate of approximately 4.9 percent. Annual debt service for the Series 2018 Bonds is projected to begin in FY 2019 (partial year) at approximately $0.5 million and increase to $25.0 million in FY 2020 and subsequent years.

Projected annual debt service includes projected annual payments, which are assumed to include both principal and interest payments, related to the Authority's short-term obligations, with an assumed annual interest rate of approximately 1.9 percent (and final maturity assumed to occur in FY 2030).

Total annual debt service is projected to increase from $85.8 million in FY 2018 to $87.8 million in FY 2019, mainly due to the scheduled increase in debt service on the Series 2017 Bonds and the first year (partial) of debt service on the Series 2018 Bonds, partially offset by a decrease in the projected line of credit payments. Total annual debt service is projected to increase to $117.3million in FY 2020, and throughout the remainder of the forecast period, due to the scheduled increase in the annual debt service for the Series 2017A Bonds and the first full year of debt service for the Series 2018 Bonds.

Table 4-5: Projected Debt Service

	Fiscal Years Ending June 30						
Bond Series	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Senior Lien Bonds:							
Series 2013 A	$6,710,400	$6,712,400	$6,716,200	$6,716,600	$6,711,600	$6,711,350	$6,710,350
Series 2013 B	13,794,550	13,791,350	13,777,950	19,289,750	19,288,500	19,283,000	19,292,750
Total Series 2013	$20,504,950	$20,503,750	$20,494,150	$26,006,350	$26,000,100	$25,994,350	$26,003,100
Series 2018	-	-	492,448	25,011,100	25,014,000	25,011,350	25,013,750
Total Senior Lien	$20,504,950	$20,503,750	$20,986,598	$51,017,450	$51,014,100	$51,005,700	$51,016,850
Subordinate Obligations:							
Series 2010 A	22,608,750	22,612,250	22,610,750	22,608,500	22,609,500	22,612,500	22,606,250
Series 2010 B	3,263,438	3,263,438	3,261,038	3,261,238	3,266,988	3,264,863	3,263,800
Series 2010 C	14,274,061	14,274,061	14,274,061	14,274,061	14,274,061	14,274,061	14,274,061
Total Series 2010	$40,146,248	$40,149,748	$40,145,848	$40,143,798	$40,150,548	$40,151,423	$40,144,111
Series 2017 A	-	8,303,057	9,814,646	10,199,250	10,199,250	10,202,750	10,204,250
Series 2017 B	-	9,516,028	9,949,622	10,160,100	10,160,500	10,164,500	10,161,500
Total Series 2017	$0	$17,819,085	$19,764,268	$20,359,350	$20,359,750	$20,367,250	$20,365,750
Short Term Subordinate	7,141,241	7,291,534	6,935,379	5,762,131	5,765,186	5,772,743	5,779,700
Total Subordinate	$47,287,489	$65,260,368	$66,845,495	$66,265,280	$66,275,485	$66,291,416	$66,289,561
Total Debt Service	$67,792,439	$85,764,118	$87,832,093	$117,282,730	$117,289,585	$117,297,116	$117,306,411

Source: Authority records and Frasca & Associates, LLC.

The Airline Agreements allow the Authority to include amortization charges in the airline rates and charges to reimburse the Authority for capital project costs paid from Authority funds. The Authority may include in airline rates and charges the amount of principal and interest in equal annual amounts for the term of the asset's useful life, with the interest calculated at a rate equal to the 30-year revenue bond index at the time the asset is placed in service. The financial analysis assumes that such amortization charges will be included in the calculation of airline rates and charges during the forecast period. Amortization charges for the Airfield and Terminal cost centers are shown on the tables that present the landing fee and terminal rental rate calculations (Tables 4-8 and 4-9).

4.4 Revenues

The Master Senior Indenture defines "Revenues" as all income, receipts, earnings and revenues received by the Authority from the operation and ownership of the Airport. Excluded from the definition of Revenues are PFCs, CFCs, interest income on unspent PFCs and CFCs, and certain other items.[45] The Authority has covenanted that all Revenues will be deposited into the Revenue Account within the Revenue Fund to be pledged as security for the Senior Lien Bonds (the currently outstanding Series 2013 Bonds), the Subordinate Obligations (the currently outstanding Series 2010 Bonds), and any additional bonds issued pursuant to the Master Senior Indenture and the Master Subordinate Indenture. As discussed earlier in this section, the Series 2017 Bonds are being issued as Subordinate Obligations.

Historical and projected Revenues are presented on Table 4-6 and Table 4-7, respectively. Revenues increased from approximately $158.6 million in FY 2012 to $238.6 million in FY 2016, due to the factors described in the sub-sections below. Revenues are estimated to total approximately $250.5 million in FY 2017, are budgeted to increase to $262.4 million in FY 2018, and are projected to increase to $351.8 million in FY 2023. The projections of the various categories of Revenues are explained in the sub-sections below.

4.4.1 Airline Revenues

Airline revenues consist of landing fees, aircraft parking fees, terminal rentals, security surcharges, and other revenue, in accordance with the provisions of the Airline Agreement. Total airline revenues increased from approximately $72.4 million in FY 2012 to $112.2 million in FY 2016. During this historical period, the Authority implemented a progressive cost recovery system with graduated rate increases. In addition, O&M Expenses allocated to the airline cost centers increased due to the expansion of Terminal 2 and increases in airfield costs. Debt service allocated to the terminal cost center increased due to the Series 2013 Bonds that funded a portion of the Terminal 2 expansion. Total airline revenues are projected to increase to approximately $175.7 million in FY 2023, mainly due to projected increases in O&M Expenses, increases in amortization charges related to planned Authority-funded capital expenditures, and increases in debt service costs for the Series 2017 Bonds and the anticipated Series 2018 Bonds, as discussed in the sub-sections below. The components of airline revenue are discussed below.

[45] Although FAA grant receipts, which are reimbursements of capital expenditures, are included in the definition of Revenues contained in the Master Senior Indenture, they are excluded from the projections of Revenues in this section, in order to reflect only the ongoing operations of the Authority.

Table 4-6: Historical Revenues

	Fiscal Years Ended June 30				
Revenue Categories	**2012**	**2013**	**2014**	**2015**	**2016**
Airline Revenue					
Landing Fees	$18,419,244	$19,658,173	$19,107,258	$21,390,056	$23,984,793
Aircraft Parking Fees	3,134,539	3,190,928	2,503,181	2,715,854	2,701,219
Terminal Rentals [1]	30,632,762	41,839,619	48,895,351	51,460,911	54,688,738
Security Surcharge	18,649,147	23,359,938	25,776,517	25,179,679	29,223,097
Other Aviation Revenue	1,594,529	1,591,266	1,593,918	1,584,599	1,607,391
Total Airline Revenue	$72,430,221	$89,639,923	$97,876,224	$102,331,098	$112,205,238
Non-Airline Revenue					
Building and Other Rents	907,264	971,790	1,157,565	1,506,604	1,031,891
Concessions					
Rental Cars	23,943,041	24,401,371	24,900,830	26,209,701	27,815,816
Food and Beverage	6,403,844	6,574,875	7,630,853	8,920,781	10,405,272
Gifts and News	4,041,936	3,257,773	5,052,162	5,888,989	6,368,546
License Fees	3,178,544	3,488,472	4,070,505	4,325,175	4,440,557
Other Terminal Concessions	2,859,943	2,879,212	2,850,931	3,240,270	3,303,256
Cost Recovery	0	1,439,038	3,264,587	3,911,478	3,940,894
Total Concessions	$40,427,308	$42,040,741	$47,769,867	$52,496,393	$56,274,343
Parking and Ground Transportation	31,469,960	35,750,484	38,959,022	41,632,530	48,105,643
Ground rentals	7,136,299	8,189,723	8,445,275	11,567,849	15,193,757
Other Operating Revenue	878,051	715,970	1,160,501	678,870	890,456
Interest Income	5,062,681	3,743,298	4,465,998	4,557,200	4,938,999
Total Non-Airline Revenue	$85,881,564	$91,412,006	$101,958,229	$112,439,445	$126,435,088
Total Revenues	$158,311,784	$181,051,930	$199,834,453	$214,770,544	$238,640,326

Source: Authority records. This table presents Revenues as defined in the Master Senior Indenture.
[1] This category includes Common Use and FIS Use charges.

Table 4-7: Projected Revenues

	Fiscal Years Ending June 30						
	Estimate	Projected					
Airport Revenues	2017	2018	2019	2020	2021	2022	2023
Airline Revenue							
Landing Fees [1]	$24,867,343	$27,712,653	$29,752,280	$38,827,549	$40,669,266	$44,943,743	$45,715,416
Aircraft Parking Fees	2,865,482	3,019,412	3,233,943	4,220,386	4,420,572	4,885,189	4,969,067
Terminal Rentals [2]	56,249,762	60,409,398	65,094,513	79,088,012	81,977,466	82,678,217	84,153,006
Security Surcharge	30,039,093	32,915,963	34,754,291	37,510,187	38,686,249	39,606,866	40,626,684
Other Aviation Revenue	1,622,714	195,498	199,408	203,396	207,464	211,613	215,846
Total Airline Revenue	$115,644,394	$124,252,924	$133,034,436	$159,849,530	$165,961,017	$172,325,629	$175,680,018
Non-Airline Revenues							
Building and Other Rents	1,547,359	1,584,928	1,604,432	1,609,035	1,613,683	1,618,378	1,623,120
Concessions:							
Rental Cars	29,277,201	30,081,562	30,333,348	30,637,564	31,033,469	31,630,952	32,698,836
Food and Beverage	10,604,683	10,975,345	11,190,507	11,551,688	11,968,330	12,476,036	13,208,504
Gifts and News	6,806,544	6,965,892	7,241,769	7,475,502	7,745,126	8,073,680	8,547,686
License Fees	4,743,903	4,785,748	4,867,009	4,940,311	5,004,227	5,069,484	5,135,188
Other Terminal Concessions	3,296,788	3,036,333	3,110,685	3,184,999	3,273,612	3,385,999	3,558,039
Cost Recovery	4,160,239	4,724,648	4,860,842	4,989,048	5,120,923	5,256,577	5,396,120
Total Concessions	58,889,358	60,569,529	61,604,160	62,779,112	64,145,688	65,892,727	68,544,374
Parking & Ground Transportation	48,096,749	47,977,417	57,639,539	58,158,917	59,051,086	61,101,291	62,873,112
Ground rentals	18,462,946	19,805,203	19,711,964	26,382,941	26,725,015	27,066,021	27,412,642
FIS Use Charge	-	-	4,559,000	4,593,000	4,646,000	4,728,000	4,888,000
Other Operating Revenue	1,523,659	773,469	773,469	773,469	773,469	773,469	773,469
Interest Income	6,329,275	7,459,238	8,901,252	8,681,672	8,800,381	9,402,134	9,967,722
Total Non-Airline Revenues	$134,849,345	$138,169,783	$154,793,816	$162,978,146	$165,755,322	$170,582,021	$176,082,439
Total Revenues	$250,493,739	$262,422,707	$287,828,252	$322,827,676	$331,716,339	$342,907,650	$351,762,458

This table presents Revenues as defined in the Master Senior Indenture.[1] This category Includes Common Use and FIS Use Charges in FY 2017 and FY 2018. Beginning in FY 2019, the FIS Use Charge revenue is shown in a separate line item.

4.4.1.1 Landing Fees

Landing fees increased from approximately $18.4 million in FY 2012 to $24.0 million in FY 2016. The increases were mainly due to higher airfield costs, which rose throughout the historical period. Landing fees are estimated to increase from approximately $24.9 million in FY 2017 to $45.7 million in FY 2023. The projected increases are primarily due to projected increases in annual debt service costs and amortization charges associated with planned future airfield capital projects, as well as projected increases in O&M Expenses allocated to the airfield. The calculations of the projected landing fee revenue and landing fee rate, based on the methodology stipulated in the Airline Agreement, are shown on Table 4-8. The landing fee rate is projected to increase from $1.96 in FY 2017 to $3.31 in FY 2022, and then decrease to $3.26 in FY 2023. The largest increase is projected to occur in FY 2020 (it is projected to increase from $2.26 in FY 2019 to $2.94 in FY 2020), primarily due to the projected debt service on the anticipated Series 2018 Bonds and amortization charges associated with planned airfield projects.

Table 4-8: Projected Landing Fee Rate

	Fiscal Years Ending June 30						
	Estimate	Projected					
Calculation Elements	2017	2018	2019	2020	2021	2022	2023
Airfield Costs							
Operating Expenses	$30,407,836	$44,892,207	$45,047,519	$46,277,275	$47,293,721	$48,054,599	$49,140,224
Debt Service	1,224,207	1,225,013	3,293,174	9,855,247	9,856,449	9,856,284	9,857,009
Amortization Charges	1,894,400	2,797,300	2,949,000	5,279,700	6,353,400	10,382,000	10,201,400
Other Requirements	883,200	677,800	566,900	575,300	586,800	598,800	611,300
Total Airfield Requirement	$34,409,643	$49,592,320	$51,856,593	$61,987,522	$64,090,370	$68,891,683	$69,809,933
Credits:							
Fuel Flowage	(195,302)	(195,498)	(199,408)	(203,396)	(207,464)	(211,613)	(215,846)
Quieter Home Grant Receipts	(2,324,000)	(14,340,000)	(14,340,000)	(14,340,000)	(14,340,000)	(14,340,000)	(14,340,000)
Operating Grant Revenue	-	-	-	-	-	-	-
Ground Handling Concession Revenue	($3,029,768)	($3,028,759)	($3,080,187)	($3,126,578)	($3,167,028)	($3,208,327)	($3,249,909)
Other Credits	(1,199,894)	(1,229,892)	(1,250,775)	(1,269,613)	(1,286,039)	(1,302,810)	(1,319,695)
Total Credits	($6,748,965)	($18,794,150)	($18,870,370)	($18,939,587)	($19,000,532)	($19,062,750)	($19,125,450)
Airfield Net Requirement	**$27,660,678**	**$30,798,170**	**$32,986,223**	**$43,047,935**	**$45,089,838**	**$49,828,932**	**$50,684,483**
Airline Adjacent Parking Fee	(2,370,140)	(2,596,708)	(2,781,191)	(3,629,532)	(3,801,692)	(4,201,263)	(4,273,398)
Remote Overnight Parking Fee	(462,096)	(422,720)	(452,752)	(590,854)	(618,880)	(683,927)	(695,669)
Aircraft Parking Position Credit	($2,832,236)	($3,019,428)	($3,233,943)	($4,220,386)	($4,420,572)	($4,885,189)	($4,969,067)
Adjusted Net Requirement	**$24,828,442**	**$27,778,741**	**$29,752,280**	**$38,827,549**	**$40,669,266**	**$44,943,743**	**$45,715,416**
Total Landed Weight (1,000 lb. units)	12,668,840	12,951,218	13,138,249	13,228,780	13,369,411	13,593,067	14,028,931
Landing Fee Rate	$1.96	$2.14	$2.26	$2.94	$3.04	$3.31	$3.26

4.4.1.2 Aircraft Parking Fees

Aircraft parking fees are assessed based on the number of aircraft parking positions assigned to each airline at the terminal gates and in remote parking positions. Aircraft parking fees decreased from $3.1 million in FY 2012 to $2.7 million in FY 2016, due to a decrease in aircraft parking positions used by the air carriers. Aircraft parking fees are projected to increase from $2.9 million in FY 2017 to $5.0 million in FY 2023. The basis for the calculation of the per-parking position fee is an amount equal to 10 percent of the net costs allocated to the airfield (this amount is deducted from the airfield requirement in the calculation of the landing fee rate). Therefore, as airfield costs are projected to increase during the forecast period (discussed above), the amount used in the calculation of the aircraft parking fee is projected to increase, and the aircraft parking fees are projected to increase accordingly.

4.4.1.3 Terminal Rentals

Terminal rentals increased from approximately $30.6 million in FY 2012 to $54.7 million in FY 2016. The increases were mainly due to the implementation of the graduated rate increases to enable the Authority to recover more costs allocated to the Terminal cost center, and the increases in O&M Expenses and debt service costs associated with the expansion of Terminal 2. Terminal rents are estimated to total approximately $56.3 million in FY 2017. This revenue category is budgeted to increase to $60.4 million in FY 2018 and is projected to increase to $65.1 million in FY 2019. A significant increase in this revenue category is projected for FY 2020 (to $79.1 million), when debt service for the anticipated Series 2018 Bonds and payments on the Authority's line of credit related to Terminal projects is anticipated to begin. Terminal Rentals are projected to increase in FY 2021 through FY 2023, to approximately $84.2 million in FY 2023. The calculation of the projected terminal rental rate is presented on Table 4-9. The average terminal rental rate is projected to increase from $147.19 in FY 2017 to $213.47 in FY 2023.

Table 4-9: Projected Terminal Rental Rate

	Fiscal Years Ending June 30						
	Estimate	Projected					
Calculation Elements	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Terminal Costs							
O&M Expenses	62,934,704	65,987,787	67,676,267	70,316,037	72,537,902	74,210,179	76,581,522
Revenue Bond Debt Service	23,677,748	23,863,125	24,771,888	35,099,720	35,101,803	35,097,729	35,100,453
Short Term Obligations	1,303,049	1,477,968	1,180,754	5,506,036	5,508,870	5,515,402	5,521,452
Amortization Charges	2,892,700	6,557,100	9,826,800	14,135,500	16,475,000	15,972,900	15,972,900
Other Requirements	1,766,300	1,355,600	1,133,800	1,150,600	1,173,600	1,197,500	1,222,500
Total Terminal Requirement	**$92,574,501**	**$99,241,579**	**$104,589,509**	**$126,207,893**	**$130,797,175**	**$131,993,710**	**$134,398,827**
Credits:							
Citation Revenue Credit	(179,558)	(184,944)	(190,493)	(196,208)	(202,094)	(208,157)	(214,401)
Custodial Contract Credit	(5,571,865)	(5,532,193)	(5,698,159)	(5,869,103)	(6,045,177)	(6,226,532)	(6,413,328)
FIS Use Charge	(871,170)	(911,814)	-	-	-	-	-
Total Credits	($6,622,593)	($6,628,951)	($5,888,651)	($6,065,311)	($6,247,270)	($6,434,688)	($6,627,729)
Terminal Net Requirement	**$85,951,908**	**$92,612,628**	**$98,700,857**	**$120,142,582**	**$124,549,905**	**$125,559,021**	**$127,771,097**
Terminal Square Footage	583,945	575,185	599,562	598,533	598,533	598,533	598,533
Rental Rate Per Square Foot	**$147.19**	**$161.01**	**$164.62**	**$200.73**	**$208.09**	**$209.78**	**$213.47**

4.4.1.4 Security Surcharge Revenue

The Signatory Airlines pay a Security Surcharge to reimburse the Authority for the cost of providing security in the airfield and terminal areas. The security costs incorporated into the calculation of the Security Surcharge include allocated O&M Expenses, debt service costs, amortization charges, and terminal rent for the security check point areas used by the TSA for passenger security screening. Any federal, state, or local grants received to offset security costs, and PFCs applied to security costs, are deducted from the allocated costs in calculating the Security Surcharge. This revenue category increased from approximately $18.6 million in FY 2012 to $29.2 million in FY 2016, reflecting the historical increases in the cost of providing security. Security Surcharge revenue is estimated to total $30.0 million in FY 2017, and is budgeted to increase to $32.9 million in FY 2018, reflecting the security cost increases explained in the sub-section on O&M Expenses above. Security Surcharge revenue is projected to increase to $40.6 million in FY 2023, reflecting future projected increases in security costs, as explained earlier in this section.

4.4.1.5 Other Aviation Revenues

Other Aviation Revenues consist primarily of the capital cost recovery of the fuel farm and fuel farm franchise fees. This revenue category remained constant at $1.6 million from FY 2012 through FY

2016, and is estimated to equal $1.6 million in FY 2017. However, with the completion of the capital cost recovery period for the fuel farm at the end of FY 2017, this revenue category is projected to decrease to approximately $200,000 in FY 2018 and throughout the remainder of the forecast period.

4.4.2 Non-Airline Revenues

Non-airline revenues consist of building rents, terminal concession revenues, parking and ground transportation revenues, ground rentals, other operating revenue, and interest income. Non-airline revenues increased from $86.2 million in FY 2012 to $127.2 million in FY 2016, mainly due to increases in parking revenue and ground transportation revenue; revenue received from the concessions in the terminal; and ground rentals. Total non-airline revenues are projected to increase from approximately $134.8 million in FY 2017 to $176.1 million in FY 2023. Much of the projected increases are due to anticipated increases in parking revenue after the completion of the Terminal 2 Parking Plaza and a planned increase in the FIS use charge. The components of non-airline revenue, including historical changes and projected increases, are discussed in the paragraphs below.

4.4.2.1 Building and Other Rents

The Authority receives rent from non-airline tenants for space rented in the terminal buildings and other areas. This revenue category increased from $0.9 million in FY 2012 to $1.5 million in FY 2015 and decreased to $1.0 million in FY 2016. Building and Other Rent revenue is estimated to total approximately $1.5 million in FY 2017, and is projected to total $1.6 million per year from FY 2018 through FY 2023.

4.4.2.2 Concessions

The Authority receives percentage concession fees, subject to a minimum annual guarantee, from rental car, food and beverage, news and gift, and other concessionaires. The concession revenue is calculated as a percentage of each concessionaire's sales, subject to minimum annual guarantee amounts. The various types of concession revenues and the historical trends and projected future increases are described in the sub-sections below.

4.4.2.2.1 Rental Car Concession Revenue

The largest component of the terminal concession revenue category is rental car concession revenue, which represented 52.4 percent of total terminal concession revenue in FY 2016. The rental car companies that operate at the Airport pay a concession fee of 10 percent of their gross revenues. Beginning with the opening of the RCC in January 2016, the rental car companies have also been paying a cost recovery fee for the operating expenses of the RCC. Rental car concession revenue increased from approximately $23.9 million in FY 2012 to $27.8 million in FY 2016. Rental car gross revenues per non-connecting deplanement remained fairly constant during the historical period, meaning that the increase in rental car concession revenue has been mainly due to increases in non-connecting deplanements. In FY 2017, rental car concession revenue is estimated to total $29.3 million, including $1.6 million for the RCC cost recovery fee. Rental car concession revenue for future years is projected based on the FY 2016 gross revenues, per non-connecting deplanement, applied to projected non-connecting deplanements, plus the RCC cost recovery fee. Rental car concession revenue is projected to increase from approximately $30.1 million in FY 2018 to $32.7 million in FY 2023.

4.4.2.2.2 Food and Beverage/Gift and News Concession Revenues

In March 2015, the Authority completed its Concessions Development Program (CDP), which involved a complete revamp of the shopping and dining options in the passenger terminals. The Authority began implementing the CDP after its master concession agreement with the master concessions operator expired in November 2012. The CDP marked a change from the Authority's long-time master concessionaire model to a hybrid model involving the direct leasing and multiple prime concessionaire approaches. The CDP increased the number of shops and restaurants from 55 to 84, and involved the introduction of local San Diego offerings. The CDP was designed to increase competition among concessionaires, to promote a variety of brands and concepts, and to increase the Authority's control over the concessions program – thereby maximizing concession sales and the resulting revenue to the Authority. Based on the financial results of the concessions in the passenger terminals, the CDP has successfully increased gross sales and concession revenues, as described in the following statistics:

- Food and Beverage concession revenue increased from $6.4 million in FY 2012 to $10.4 million in FY 2016 – representing a 12.9 percent average annual increase, compared to the 4.4 percent average annual increase in enplanements during the same time period. The significantly higher growth rate in concession revenues is reflected in the increase in Food and Beverage gross sales per enplanement, which increased from $5.50 in FY 2012 to $6.92 in FY 2016.

- Gift and News concession revenue increased from $4.0 million in FY 2012 to $6.4 million in FY 2016 – representing a 12.0 percent average annual increase. The Gift and News gross sales per enplanement increased from $2.88 in FY 2012 to $4.00 in FY 2016.

The projections of concession revenues for Food and Beverage and Gift and News are based on the FY 2016 gross sales per enplanement for each of the two types of concession operations, with annual increases for assumed price inflation, applied to forecast enplanements, and multiplied by the applicable concession fee percentages. Food and Beverage concession revenue is projected to increase to $13.2 million in FY 2023, and Gift and News concession revenue is projected to increase to $8.5 million in FY 2023.

4.4.2.2.3 License Fees

The Authority receives license fees from companies that provide ground handling and in-flight food services. These license fees, which are based on a percentage of the providers' gross revenues. Increased from $3.2 million in FY 2012 to $4.4 million in FY 2016. License Fees are estimated to total $4.7 million in FY 2017 and are budgeted to equal $4.8 million in FY 2018. Based on anticipated increases in future activity, License Fees are projected to increase to approximately $5.1 million in FY 2023.

4.4.2.2.4 Other Terminal Concession Revenues

This category includes rents and fees received for advertising displays, luggage carts, ATMs, wifi service providers, security bin advertisements, and other miscellaneous sources. This revenue category increased from $2.9 million in FY 2012 to $3.3 million in FY 2016, mainly due to an increase in the minimum annual guarantee for the advertising concessionaire, and increases in gross revenues reported by the concessionaires that provide luggage carts, ATMs, vending machines, and a common use passenger lounge. Other Terminal Concession revenues are estimated to remain constant at $3.3 million in FY 2017 and then decrease to $3.0 million in FY 2018, due to the termination of a contract with a wifi service provider, before increasing in FY 2019 and each subsequent year, due to projected increases in passenger activity. This revenue category is projected to increase to $3.6 million in FY 2023.

4.4.2.2.5 Terminal Concession Cost Recovery Revenue

The Authority recovers various costs related to terminal concessions program through cost recovery fees. The revenues from these fees are used to reimburse the Authority for various costs, including: the capital and operating costs of the Receiving and Distribution Center (RDC) located on the north side of the airfield, which is used by the terminal concessionaires; O&M Expenses related to the terminal concessions; marketing expenses related to the terminal concessions program; and storage costs. The fees were phased in starting in FY 2013, and totaled approximately $3.9 million in FY 2016. These fees are projected to increase during the forecast period, reflecting projected increases in O&M Expenses and the operating costs of the RDC, to $5.4 million in FY 2023.

4.4.2.3 Parking and Ground Transportation

The Authority receives revenues from the public parking lots at the Airport, ground transportation permit and trip fees, and parking citation revenues. Parking and Ground Transportation revenues increased from approximately $31.5 million in FY 2012 to $48.1 million in FY 2016, mainly due to (1) parking rate increases in July 2014 and July 2016; (2) the continued multi-year phase-in of cost-based ground transportation fees; and (3) the implementation of trip fees for Transportation Network Companies (TNCs) in July 2015. In FY 2011, the Authority began a four-year phase-in of new ground transportation fees for taxicabs, limousines, other vehicles for hire, hotel shuttles, and off-airport parking shuttles. The largest annual increase in ground transportation fees occurred in FY 2016, when those fees increased to $5.0 million (from $2.9 million in FY 2015), mainly due to the implementation of the TNC trip fees.

In FY 2018, Parking and Ground Transportation revenues are estimated to remain at the FY 2016 level of approximately $48.1 million and are budgeted to decrease slightly in FY 2018, to $48.0 million. This revenue category is estimated to remain relatively flat even though enplanements are increasing, mainly because a portion of the surface parking lot in front of Terminal 2 was closed near the beginning of FY 2017 and will remain closed in FY 2018 during construction of the

Terminal 2 Parking Plaza.. Authority staff has developed a very detailed analysis of parking revenue statistics as the basis for detailed projections of parking revenue by facility. Parking revenue projections for the forecast period reflect the anticipated effects of increased passenger activity, modest rate increases every two years, and the projected impacts of the completion of the Terminal 2 Parking Plaza. Parking and Ground Transportation revenues are projected to increase to $57.6 million in FY 2019, reflecting the planned opening of the Terminal 2 Parking Plaza, and are projected to increase further in subsequent years due to projected increases in parking activity tied to forecasted increases in passenger traffic, and assumed parking rate increases every two years. Parking and Ground Transportation revenues are projected to increase to $62.9 million in FY 2023.

4.4.2.4 Ground Rentals

The Authority receives rentals from airline and non-airline tenants for various land parcels at the Airport, including the parcel on which the RCC is located, the FBO, and the passenger and all-cargo airlines. Ground Rentals increased from $7.1 million in FY 2012 to $15.2 million in FY 2016. The largest increase occurred in FY 2016, with the commencement of the ground lease for the RCC in January 2016.

In FY 2017, Ground Rentals are estimated to increase to $18.5 million, reflecting the first full year of the ground lease for the RCC. Ground Rentals are budgeted to increase to $19.8 million in FY 2018. This revenue category is projected to increase significantly in FY 2020, to $26.4 million, due to the scheduled completion of new cargo facilities, which will generate new ground rent revenue. Ground Rentals are projected to increase in accordance with ground lease provisions, to $27.4 million in FY 2023.

4.4.2.5 FIS Use Charge Revenue

The Authority has a use fee for international service based on the number of international arriving seats. This revenue category is projected to total approximately $4.6 million in FY 2019, with increases each year thereafter based on the forecast increases in international arriving seats, to approximately $4.9 million in FY 2023.

4.4.2.6 Other Operating Revenues

The largest component of this category consists of reimbursements of utility expenses, received primarily from the TSA, Host International, and the FAA. This revenue category includes finger printing fees, reimbursement of utility expenses, service charges, equipment rentals, non-airline remote aircraft parking fees, and other miscellaneous revenues. From FY 2012 through FY 2016, the total of this revenue category fluctuated between approximately $0.9 million and $1.5 million. This category increased from $0.9 million in FY 2015 to $1.2 million in FY 2016, and is estimated to total $1.5 million in FY 2017 due to various unusual one-time miscellaneous revenue items. Other Operating Revenues are projected to total approximately $0.8 million per year throughout the remainder of the forecast period.

4.4.2.7 Interest Income

The Authority receives interest income on (i) Authority discretionary cash, (ii) promissory notes from the Port District, and (iii) the various bond funds and accounts established pursuant to the Master Senior Indenture. Interest income is projected to increase to approximately $10.0 million in FY 2023.

4.5 Key Financial Indicators

This sub-section discusses the projections of the following key financial indicators: (1) the application of Revenues pursuant to the provisions of the Master Senior Indenture and the Master Subordinate Indenture, (2) the Authority's ability to satisfy the Additional Bonds Test, as evidenced by its ability to meet the Senior Rate Covenant and the Subordinate Rate Covenant; and (3) the airline cost per enplaned passenger.

4.5.1 Application of Revenues

Table 4-10 shows the forecast application of Revenues pursuant to the provisions of the Master Senior Indenture, during the forecast period. Revenues are applied in the order shown on Figure 4-1.

Table 4-10: Application of Revenues

	Fiscal Years Ending June 30						
	Estimate	Projected					
	2017	2018	2019	2020	2021	2022	2023
Airport Revenues	$250,493,739	$262,422,707	$287,828,252	$322,827,676	$331,716,339	$342,907,650	$351,762,458
Application of Airport Revenues							
Operation & Maintenance Subccount	$155,741,280	$166,138,947	$172,477,452	$178,583,702	$183,885,021	$189,357,857	$195,007,978
Senior Obligation Debt Service net of PFCs applied [1]	10,956,324	10,956,268	11,442,337	39,756,709	39,755,081	39,748,884	39,756,291
Debt Service Reserve Funds	-	-	-	-	-	-	-
Subordinate Obligation Debt Service, net of PFCs applied [1]	26,830,782	44,802,517	46,384,423	47,520,688	47,529,170	47,542,899	47,544,787
Subordinate Obligations Debt Service Reserve Funds	-	-	-	-	-	-	-
Operation & Maintenance Reserve Subaccount	3,239,910	3,702,932	1,584,626	1,526,562	1,325,330	1,368,209	1,412,530
Renewal and Replacement Subaccount	-	-	-	-	-	-	-
Airport Revenue Fund	53,725,442	36,822,043	55,939,414	55,440,016	59,221,737	64,889,801	68,040,871
Total Airport Revenues Applied	$250,493,739	$262,422,707	$287,828,252	$322,827,676	$331,716,339	$342,907,650	$351,762,458

[1] PFCs are excluded from the definition of Revenues in the Master Senior Indenture.

4.5.2 Rate Covenants

The calculations of the Senior Rate Covenant contained in the Master Senior Indenture and the Subordinate Rate Covenant contained in the Master Subordinate Indenture are projected on Table 4-11. The calculations reflect the projected debt service of the Series 2017 Bonds and the anticipated Series 2018 Bonds. As mentioned earlier, under the Master Senior Indenture, the Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Net Revenues that will satisfy all the Authority's obligations under the Master Senior Indenture, and that will at least equal 125 percent of aggregate annual debt service on the outstanding Senior Bonds (the Senior Rate Covenant). Under the Master Subordinate Indenture, the Authority has covenanted to establish and collect fees and charges in each Fiscal Year which will generate Subordinate Net Revenues that will satisfy all the Authority's obligations under the Master Subordinate Indenture, and that will least equal 110 percent of aggregate annual debt service on the outstanding Subordinate Obligations (the Subordinate Rate Covenant).

Net Revenues are defined in the Master Senior Indenture as Revenues minus O&M Expenses. Subordinate Net Revenues are defined in the Master Subordinate Indenture as Net Revenues minus deposits to the Debt Service Funds for the payment of debt service on the Senior Bonds and any reserve fund deposits required pursuant to the Master Senior Indenture.

Pursuant to the PFC Resolution, the Board irrevocably committed $10 million of PFCs to the payment of debt service on Senior Bonds and Subordinate Obligations in FY 2018. However, the Authority plans to continue to apply approximately $30.0 million of annual PFCs toward a portion of debt service on Senior Bonds and Subordinate Obligations in each Fiscal Year during the forecast period. When PFCs are used to pay debt service on the Senior Bonds or the Subordinate Obligations, such debt service may be excluded from the calculation of debt service on the Senior Bonds and the Subordinate Obligations for purposes of the Rate Covenant calculations. Therefore, the debt service coverage calculations shown on Table 4-11 exclude the portion of debt service anticipated to be paid with PFCs. In FY 2011, the Authority began receiving cash subsidy payments from the U.S. Treasury for the portion of the Series 2010 Bonds that were issued as Build America Bonds (the "BAB subsidy"). The Authority anticipates that the annual BAB subsidy payments will continue to be received by the Authority at approximately the same annual amount that it has received in recent years, throughout the forecast period. Debt service coverage calculated according to the Senior Rate Covenant is projected to equal at least 3.63 times debt service during the forecast period. Debt service coverage calculated according to the Subordinate Rate Covenant is projected to equal 2.12 times debt service in FY 2018 and then equal at least 2.44 times debt service during the remainder of the forecast period. Therefore, the Authority is projected to satisfy the coverage requirements for both the Master Senior Indenture and the Master Subordinate Indenture.

Total debt service coverage (reflecting Senior Bonds and Subordinate Obligations) is projected to remain at or above 1.75 times debt service throughout the forecast period.

Table 4-11: Rate Covenants

	Fiscal Years Ending June 30							
	Historical	Estimate	Projected					
Calculation Elements	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Revenues	$238,640,326	$250,493,739	$262,422,707	$287,828,252	$322,827,676	$331,716,339	$342,907,650	$351,762,458
O&M Expenses	151,327,219	155,741,280	166,138,947	172,477,452	178,583,702	183,885,021	189,357,857	195,007,978
Net Revenues	$87,313,107	$94,752,459	$96,283,760	$115,350,800	$144,243,975	$147,831,318	$153,549,793	$156,754,480
Senior Bonds Debt Service	$20,504,600	$20,504,950	$20,503,750	$20,986,598	$51,017,450	$51,014,100	$51,005,700	$51,016,850
Minus: PFCs Used to Pay Debt Service	(9,490,326)	(9,548,626)	(9,547,482)	(9,544,261)	(11,260,741)	(11,259,019)	(11,256,816)	(11,260,559)
Senior Bonds Debt Service, Net of PFCs	$11,014,274	$10,956,324	$10,956,268	$11,442,337	$39,756,709	$39,755,081	$39,748,884	$39,756,291
Senior Bonds Debt Service Coverage	**7.93**	**8.65**	**8.79**	**10.08**	**3.63**	**3.72**	**3.86**	**3.94**
Subordinate Net Revenues	$76,298,832	$83,796,135	$85,327,492	$103,908,463	$104,487,266	$108,076,237	$113,800,909	$116,998,189
Subordinate Debt Service	46,911,988	47,287,489	65,260,368	66,845,495	66,265,280	66,275,485	66,291,416	66,289,561
Minus: PFCs Used to Pay Debt Service	(20,331,674)	(20,456,707)	(20,457,851)	(20,461,072)	(18,744,592)	(18,746,315)	(18,748,517)	(18,744,774)
Minus: BAB Subsidy [1]	(4,656,199)	(4,656,199)	(4,631,219)	(4,631,219)	(4,631,219)	(4,631,219)	(4,631,219)	(4,631,219)
Net Subordinate Debt Service	$21,924,115	$22,174,583	$40,171,298	$41,753,204	$42,889,469	$42,897,951	$42,911,680	$42,913,568
Subordinate Debt Service Coverage	**3.49**	**3.78**	**2.12**	**2.49**	**2.44**	**2.52**	**2.65**	**2.73**
Total Debt Service	$32,938,390	$33,130,907	$51,127,566	$53,195,541	$82,646,177	$82,653,032	$82,660,564	$82,669,859
Total Debt Service Coverage	**2.65**	**2.86**	**1.88**	**2.17**	**1.75**	**1.79**	**1.86**	**1.90**

[1] In FY 2011 the Authority began receiving cash subsidy payments from the U.S. Treasury for the portion of the Series 2010 Bonds that were issued as Build America Bonds (BAB subsidy). The projections assume that the annual BAB subsidy payments will continue to be received by the Authority at approximately the level received by the Authority in recent years, throughout the forecast period.

4.5.3 PFC Cash Flow

The projected PFC cash flow is presented on Table 4-12. The projections assume the PFC collection level will remain at the current rate of $4.50. PFC collections, net of the airline collection fee, are projected to increase from $41.5 million in FY 2017 to $46.6 million in FY 2023. As discussed above, the Authority plans to continue to apply $30 million in annual PFCs toward a portion of debt service on the Senior Bonds and Subordinate Obligations. In addition, the Authority is applying PFCs on a Pay-As-You-Go basis toward PFC eligible costs of the Capital Program. The balance in the PFC Fund is projected to decrease from $73.2 million at the end of FY 2017 to $33.7 million in FY 2018, mainly due to an increase in PFCs applied on a Pay-As-You-Go basis toward eligible project costs of the Capital Program. The PFC Fund balance is then projected to increase to approximately $69.0 million at the end of FY 2023.

Table 4-12: Projected PFC Cash Flow

	Fiscal Years Ending June 30						
	Estimate	Projected					
	2017	2018	2019	2020	2021	2022	2023
PFC Collections							
Projected Enplanements	10,508,643	10,755,312	10,941,262	11,040,468	11,181,498	11,393,768	11,791,493
% Eligible	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%	90.0%
PFC Eligible Enplanements	9,457,800	9,679,800	9,847,100	9,936,400	10,063,300	10,254,400	10,612,300
Gross PFC Collections							
$4.50 Per Eligible Enplanement	$42,560,100	$43,559,100	$44,312,000	$44,713,800	$45,284,900	$46,144,800	$47,755,400
Less: Airline Collection Fee							
$0.11 Per Eligible Enplanement	(1,040,400)	(1,064,800)	(1,083,200)	(1,093,000)	(1,107,000)	(1,128,000)	(1,167,400)
Net PFC Collections	$41,519,700	$42,494,300	$43,228,800	$43,620,800	$44,177,900	$45,016,800	$46,588,000
PFC Fund							
Beginning Balance	$74,104,773	$73,192,124	$33,700,392	$30,903,797	$35,858,431	$48,072,305	$53,905,550
Net PFC Collections	41,519,700	42,494,300	43,228,800	43,620,800	44,177,900	45,016,800	46,588,000
Applied to Debt Service [1]	(30,005,333)	(30,005,333)	(30,005,333)	(30,005,333)	(30,005,333)	(30,005,333)	(30,005,333)
Applied on a Pay-As-You-Go basis [2]	(12,468,907)	(49,660,268)	(13,675,838)	(6,413,550)	(50,000)	(7,450,000)	-
Applied to Quiter Home Program	(400,000)	(2,748,000)	(2,748,000)	(2,748,000)	(2,748,000)	(2,748,000)	(2,748,000)
Interest Income	441,891	427,570	403,776	500,717	839,307	1,019,779	1,228,745
Ending Balance	$73,192,124	$33,700,392	$30,903,797	$35,858,431	$48,072,305	$53,905,550	$68,968,962

[1] The Authority plans to apply certain PFCs to the payment of debt service for the Series 2010 and Series 2013 Bonds.
[2] PFCs projected to be applied on a Pay-As-You-Go basis to capital costs of the Capital Program.

4.5.4 Airline Cost per Enplanement

An important component of the financial feasibility report is an assessment of how the planned capital improvements and the related financings will affect airline rates and charges. Based on the financial projections discussed above, the airline cost per enplaned passenger (CPE), presented on Table 4-12, is projected to increase from $10.71 in FY 2017 to $14.92 in FY 2022 before decreasing to $14.70 in FY 2023. The projected increases in the CPE are mainly due to the factors discussed above, including increases in landing fees and terminal rentals caused by increases in O&M Expenses, and new debt service requirements and amortization charges related to the Capital Program costs. However, a CPE in the $14 to $15 range for a large hub airport such as SAN is reasonable, especially since it incorporates the projected effects of SAN's Capital Program. Several large hub airports currently have a CPE at or above $20, including Miami International, Washington Dulles International, JFK International, and Newark International. A few other large hub airports currently have a CPE in the $14 to $20 range. As those airports implement future capital improvements their CPE levels will likely increase further.

Table 4-13: Projected Airline Cost per Enplanement

	Fiscal Years Ending June 30						
	Estimate	Projected					
Airline Revenue Category	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Landing Fees	$24,867,343	$27,712,653	$29,752,280	$38,827,549	$40,669,266	$44,943,743	$45,715,416
Aircraft Parking Fees	2,865,482	3,019,412	3,233,943	4,220,386	4,420,572	4,885,189	4,969,067
Terminal Rental Revenue [1]	54,795,212	58,844,024	63,467,723	77,104,413	79,921,101	80,605,191	82,043,459
Security Surcharges	30,039,093	32,915,963	34,754,291	37,510,187	38,686,249	39,606,866	40,626,684
Total Airline Revenue	**$112,567,129**	**$122,492,052**	**$131,208,237**	**$157,662,535**	**$163,697,188**	**$170,040,990**	**$173,354,625**
Enplanements	10,508,643	10,755,312	10,941,262	11,040,468	11,181,498	11,393,768	11,791,493
Cost Per Enplanement	**$10.71**	**$11.39**	**$11.99**	**$14.28**	**$14.64**	**$14.92**	**$14.70**

[1] Excludes club room lease revenue.

4.5.5 Sensitivity Analysis

A sensitivity analysis was prepared using the low enplanement forecast scenario presented in Section 4. The projections of the key financial variables under the sensitivity analysis, and for comparative purposes, the base enplanement forecast scenario, are summarized on Table 4-14. Under the low enplanement forecast scenario, the senior debt service coverage and the subordinate debt service coverage are projected to remain well above the minimum requirements throughout the forecast period. The landing fee rate is projected to rise to a high of $3.48 (in FY 2021), and the airline cost per enplanement is projected to increase to a high of $15.72 (in FY 2022). The projected airline costs under the low enplanement forecast scenario would still be reasonable considering that the projections reflect the estimated costs of the Capital Program.

Table 4-14: Key Financial Projections for Sensitivity Analysis

	Fiscal Years Ending June 30						
	2017	2018	2019	2020	2021	2022	2023
Base Forecast							
Net Revenues	$94,752,459	$96,283,760	$115,350,800	$144,243,975	$147,831,318	$153,549,793	$156,754,480
Debt Service Coverage							
Senior	8.65	8.79	10.08	3.63	3.72	3.86	3.94
Subordinate	3.78	2.12	2.49	2.44	2.52	2.65	2.73
Total	2.86	1.88	2.17	1.75	1.79	1.86	1.90
Landing Fee Rate	$1.96	$2.14	$2.26	$2.94	$3.04	$3.31	$3.26
Airline Cost per Enplanement	$10.71	$11.39	$11.99	$14.28	$14.64	$14.92	$14.70
PFC Fund Balance	$73,192,124	$33,700,392	$30,903,797	$35,858,431	$48,072,305	$53,905,550	$68,968,962
Low Forecast							
Net Revenues	$94,752,459	$96,283,760	$112,349,797	$138,744,052	$142,616,713	$148,399,218	$150,785,375
Debt Service Coverage							
Senior	8.65	8.79	9.82	3.49	3.59	3.73	3.79
Subordinate	3.78	2.12	2.42	2.31	2.40	2.53	2.59
Total	2.86	1.88	2.11	1.68	1.73	1.80	1.82
Landing Fee Rate	$1.96	$2.27	$2.40	$3.10	$3.20	$3.48	$3.45
Airline Cost per Enplanement	$10.71	$12.08	$12.75	$15.14	$15.46	$15.72	$15.59
PFC Fund Balance	$73,192,124	$31,258,223	$25,830,255	$28,217,933	$37,922,404	$41,235,853	$53,374,726

4.6 Summary

The following points highlight the significant findings of the financial analysis contained in this section:

- Debt service coverage calculated according to the Senior Rate Covenant is projected to equal at least 3.63 times debt service during the forecast period.
- Debt service coverage calculated according to the Subordinate Rate Covenant is projected to equal 2.12 times debt service in FY 2018 and then equal at least 2.44 times debt service during the remainder of the forecast period. The airline cost per enplaned passenger is projected to remain reasonable during the forecast period. SAN's airline cost per enplanement is projected to increase from $10.71 in FY 2017 to a high of $14.92 in FY 2022, before decreasing to $14.70 in FY 2023.
- PFC revenues are projected to increase from $41.5 million in FY 2017 to $46.6 million in FY 2023. The PFC fund balance is projected to increase from $33.7 million in FY 2018 to $69.0 million in FY 2023.
- Under the low enplanement forecast scenario, the senior debt service coverage and the subordinate debt service coverage are projected to remain well above the minimum requirements throughout the forecast period. The projected airline cost per enplanement under the low enplanement forecast scenario is projected to remain under $16.00 during the forecast period, and the PFC fund balance is projected to increase from $31.3 million in FY 2018 to $53.4 million in FY 2023.

ATTACHMENT 2

PURCHASE CONTRACT

$_________	$________
San Diego County	San Diego County
Regional Airport Authority	Regional Airport Authority
Subordinate Airport Revenue Bonds	Subordinate Airport Revenue Bonds
Series 2017A	Series 2017B
(Non-AMT)	(AMT)

______________ __, 2017

San Diego County Regional Airport Authority
3225 North Harbor Drive, 3rd Floor
San Diego, California 92101

Ladies and Gentlemen:

The undersigned, Morgan Stanley & Co. LLC (the "**Representative**"), as representative of the underwriters listed on the signature page hereof (the "Underwriters") hereby offers to enter into this Purchase Contract (this "**Purchase Contract**") with the San Diego County Regional Airport Authority (the "**Authority**"). The offer made hereby is subject to acceptance by the Authority by execution and delivery of this Purchase Contract to the Underwriters at or prior to 11:59 p.m., California time, on the date first above written, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. Upon acceptance of this offer by the Authority in accordance with the terms hereof, this Purchase Contract will be binding upon the Authority and upon the Underwriters. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Official Statement or the Subordinate Indenture, each as hereinafter defined.

1. **Purchase and Sale**. Upon the terms and conditions and upon the basis of the representations, warranties, covenants and agreements hereinafter set forth, the Underwriters, acting as principals and independent contractors and not as agents or fiduciaries, hereby, jointly and severally, agree to purchase from the Authority, and the Authority hereby agrees to sell to the Underwriters, all (but not less than all) of the $__________ aggregate principal amount of the Authority's Subordinate Airport Revenue Bonds, Series 2017A (the "**Series 2017A Bonds**") and the $_________ aggregate principal amount of the Authority's Subordinate Airport Revenue Bonds, Series 2017B (the "**Series 2017B Bonds**," and together with the Series 2017A Bonds, the "**Series 2017 Bonds**"). The Series 2017 Bonds shall be dated the date of issuance, shall bear interest payable on January 1, 2018 and thereafter semiannually each January 1 and July 1 at the rates, shall mature on July 1 in each year in the amounts, and shall be subject to redemption, all as set forth in the attached Schedule I. The purchase price for the Series 2017A Bonds shall be $___________ (consisting of the aggregate principal amount of the Series 2017A Bonds, plus [net] original issue premium of $_______________, less an underwriters' discount of $______________) (the "**Series**

2017A Purchase Price”). The purchase price for the Series 2017B Bonds shall be $____________ (consisting of the aggregate principal amount of the Series 2017B Bonds, plus [net] original issue premium of $_______________, less an underwriters’ discount of $___________) (the “**Series 2017B Purchase Price**,” and collectively with the Series 2017A Purchase Price, the “**Purchase Price**”).

The Authority will undertake, pursuant to a Continuing Disclosure Certificate (the “**Continuing Disclosure Certificate**”), to provide certain annual financial information and notices of the occurrence of certain enumerated events. A description of this undertaking is set forth in the Official Statement.

The Authority acknowledges and agrees that (i) the purchase and sale of the Series 2017 Bonds pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Authority and the Underwriters, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as municipal advisors (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended), or agents, advisors or fiduciaries of the Authority, (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Authority with respect to the offering of the Series 2017 Bonds contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters, or any affiliates of the Underwriters, have provided other services or are currently providing other services to the Authority on other matters) and the Underwriters have no obligation to the Authority with respect to the offering of the Series 2017 Bonds contemplated hereby except the obligations expressly set forth in this Purchase Contract and except as otherwise provided by law, (iv) the Authority has consulted with its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Series 2017 Bonds, and (v) the Underwriters have financial and other interests that differ from those of the Authority. Nothing in the foregoing paragraph is intended to limit the Underwriters’ obligations of fair dealing under the Municipal Securities Rulemaking Board’s Rule G-17.

2. **The Series 2017 Bonds**. The Series 2017 Bonds will be issued pursuant to Section 170000 et seq. of the California Public Utilities Code (the "**Act**"); the Revenue Bond Law of 1941 Chapter 6 (commencing with Section 54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title *5* of the California Government Code and the limitations set forth in California Government Code Section 54402(b), which do not apply to the issuance and sale of bonds pursuant to the Act; and the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "**Master Subordinate Indenture**"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "**Subordinate Trustee**"), and the Fifth Supplemental Subordinate Trust Indenture, to be dated as of [August] 1, 2017 (the "**Fifth Supplemental Subordinate Indenture**," and collectively with the Master Subordinate Indenture and all supplements thereto, the "**Subordinate Indenture**"), by and between the Authority and the Subordinate Trustee. Additionally, the board of directors of the Authority (the "**Board**") authorized the issuance of the Series 2017 Bonds pursuant to a resolution adopted by the Board on [July 6], 2017 (the "**Bond Resolution**"). The Series 2017 Bonds shall be payable from Subordinate Net Revenues, and from certain additional limited funds held by the Subordinate Trustee under the Subordinate Indenture.

Additionally, on July 6, 2017, the Board adopted a resolution (the "**PFC Resolution**") authorizing the irrevocable commitment of a portion of the PFCs received by the Authority to the payment of a portion of the debt service on the Senior Bonds and Subordinate Obligations.

The proceeds of the Series 2017 Bonds will be used to (a) pay and/or reimburse the Authority for certain capital improvements at San Diego International Airport (the "**Airport**"), (b) repay a portion of the outstanding Subordinate Revolving Obligations, (c) fund a portion of the interest accruing on the Series 2017 Bonds, (d) make a deposit to the Subordinate Reserve Fund, and (e) pay certain expenses in connection with the issuance of the Series 2017 Bonds. The Series 2017 Bonds are being issued for such purposes and shall otherwise be as described in the Subordinate Indenture and the Official Statement.

3. **Use and Preparation of Official Statement**. The Authority hereby ratifies, approves and confirms the use and distribution by the Underwriters prior to the date hereof of the Preliminary Official Statement of the Authority with respect to the Series 2017 Bonds, dated ________ __, 2017 (together with the Appendices thereto, any documents incorporated therein by reference, and any supplements or amendments thereto, the "**Preliminary Official Statement**"), in connection with the offering and sale of the Series 2017 Bonds. The Authority represents and warrants that the Preliminary Official Statement was deemed final by the Authority as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission ("**Rule 15c2-12**"), except for those matters permitted by Rule 15c2-12 to be omitted, including maturity amounts, interest rates, offering prices, redemption dates and prices, ratings, underwriters' discount, delivery dates and related terms. The Authority hereby agrees to deliver or cause to be delivered to the Underwriters, in sufficient time to accompany any confirmation that requests payment from any customer (but in no event later than the earlier of seven business days after the date hereof or the business day prior to the Closing Date), copies of the final Official Statement, dated the date hereof (including all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Authority (after consultation with the Representative)) (the "**Official Statement**") in sufficient quantity (which may be in electronic form) to enable the Underwriters to comply with the rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Authority hereby approves of the use and

distribution by the Underwriters of the Official Statement in connection with the offer and sale of the Series 2017 Bonds. At the time of or prior to the date of Closing, the Underwriters shall file a copy of the Official Statement with the Municipal Securities Rulemaking Board.

4. **Representations, Warranties, Covenants and Agreements of the Authority**. The Authority represents and warrants to and covenants and agrees with the Underwriters that as of the date hereof:

(a) The Authority is a local governmental entity of regional government with jurisdiction extending throughout the County of San Diego (the "**County**"), organized and existing pursuant to the provisions of the Act and the Constitution of the State of California.

(b) The Authority has full legal right, power and authority to enter into this Purchase Contract and the Subordinate Indenture, to execute the Continuing Disclosure Certificate, to adopt the Bond Resolution and the PFC Resolution and to observe, perform and consummate the covenants, agreements and transactions contemplated by this Purchase Contract, the Subordinate Indenture, the Continuing Disclosure Certificate and the Official Statement and to issue, sell and deliver the Series 2017 Bonds to the Underwriters as provided herein; and by all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Board has duly adopted the Bond Resolution and the PFC Resolution and approved the Preliminary Official Statement and the Official Statement; the Bond Resolution and the PFC Resolution are in full force and effect and have not been amended, modified or rescinded; the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of its obligations contained in, the Series 2017 Bonds, the Subordinate Indenture, the Official Statement, the Continuing Disclosure Certificate and this Purchase Contract; the Authority has duly authorized and approved the performance of its obligations contained in the Subordinate Indenture, the Continuing Disclosure Certificate, the Bond Resolution and the PFC Resolution and the consummation by it of all other transactions contemplated by this Purchase Contract to have been performed or consummated at or prior to the Closing Date (as hereinafter defined); and the Authority is in compliance in all respects with the terms of the Act and with the obligations in connection with the issuance of the Series 2017 Bonds on its part contained in the Bond Resolution, the PFC Resolution, the Subordinate Indenture, the Series 2017 Bonds and this Purchase Contract.

(c) As of the date thereof and the date hereof, the Preliminary Official Statement (except for the information relating to DTC, the forecasts included in the Financial Feasibility Report set forth in Appendix A of the Preliminary Official Statement and in [[Table 23]] in the forepart of the Preliminary Official Statement, the information under the caption "UNDERWRITING" and information permitted to be excluded pursuant to Rule 15c2-12 as to which no representation is made (except as provided in paragraph (o) below)) did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, except as otherwise provided in this Purchase Contract, the Authority makes no representations as to employment and economic data (including projections) obtained from third parties contained in the Financial Feasibility Report and the Preliminary Official Statement.

As of the date hereof and the Closing Date, the Official Statement (except for the information relating to DTC,·the forecasts included in the Financial Feasibility Report set forth in Appendix A of the Official Statement and in [[Table 23]] in the forepart of the Official Statement, and the information under the caption "UNDERWRITING" as to which no representation is made (except as provided in paragraph (o) below)) does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, except as otherwise provided in this Purchase Contract, the Authority makes no representations as to employment and economic data (including projections) obtained from third parties contained in the Financial Feasibility Report and the Official Statement.

(d) If between the date hereof and 25 days after the End of the Underwriting Period for the Series 2017 Bonds (as hereinafter defined) (i) any event shall occur or any fact or condition shall become known to the Authority which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Authority shall notify the Underwriters thereof, and (ii) in the reasonable opinion of the Authority or the Representative, following consultation with the other party hereto, such event, fact or condition requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement.

As used herein, and for the purposes of the foregoing, the term **"End of the Underwriting Period"** for the Series 2017 Bonds shall mean the later of (i) the Closing Date or (ii) the date on which the End of the Underwriting Period for the Series 2017 Bonds has occurred under Rule 15c2-12; provided, however, that the Authority may assume that, unless notified otherwise in writing by the Representative on or before the Closing Date, the End of the Underwriting Period for the Series 2017 Bonds will occur on the Closing Date.

For the purposes of this Paragraph (d), between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Series 2017 Bonds, the Authority will furnish such information with respect to itself and the Airport as the Underwriters may from time to time reasonably request.

(e) If the Official Statement is supplemented or amended pursuant to Paragraph 4(d) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Series 2017 Bonds, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Between the date hereof and the Closing Date, except as contemplated by the Official Statement, the Authority will not without the prior written consent of the Representative offer or issue any bonds, notes or other obligations for borrowed money, or, except in the ordinary course of business incur any other material liabilities, direct or contingent, in each case payable from Subordinate Net Revenues.

(g) The Authority is not in violation of, or in material breach of or in material default under, any applicable constitutional provision, law or administrative regulation or order of the State of California or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, or other agreement or instrument to which the Authority is a party or to which the Authority or any of its properties is otherwise bound, and no event has occurred to the knowledge of the Authority and is continuing which, with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any such instrument, in any such event which violation or breach would have a material adverse effect on the ability of the Authority to repay the Series 2017 Bonds or on the security therefor; and the execution and delivery of this Purchase Contract, the Fifth Supplemental Subordinate Indenture, the Continuing Disclosure Certificate and the Series 2017 Bonds, the adoption of the Bond Resolution or the PFC Resolution, and compliance with the provisions of this Purchase Contract, the Subordinate Indenture, the Continuing Disclosure Certificate, the Bond Resolution, the PFC Resolution and the Series 2017 Bonds do not conflict with or constitute a material breach of or material default under any California constitutional provision, law, administrative regulation, order, judgment, court decree, loan agreement, indenture, bond, note, resolution, agreement, or other instrument to which the Authority is a party, or by which it or any of its properties are bound, nor does any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its properties or under the terms of any such law, regulation or instrument, except as provided by the Series 2017 Bonds or except to the extent that such breach, or the creation or imposition of such lien or charge, would not have a material adverse effect on the security for the Series 2017 Bonds.

(h) Except as expressly set forth in the Official Statement, there is no action, suit, proceeding, hearing, inquiry or investigation, at law or in equity, before or by any California or Federal court, government agency, public board or body, pending or, to the best of the Authority's knowledge, threatened against the Authority (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices in which an adverse decision would affect the Board's adoption of the Bond Resolution or the PFC Resolution or its approval of this Purchase Contract, the Subordinate Indenture, the Continuing Disclosure Certificate, the Preliminary Official Statement, the Official Statement or the Series 2017 Bonds; (ii) in any way contesting, affecting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Series 2017 Bonds, or the collection of revenues pledged to pay the principal of and interest on the Series 2017 Bonds, or the pledge of such revenues, or the application of the proceeds of the Series 2017 Bonds; (iii) affecting or seeking to prohibit, restrain or enjoin the imposition, collection or use of the PFCs for the payment of debt service as described in the Preliminary Official Statement and in the Official Statement; (iv) in any way contesting or affecting the validity or enforceability of the Series 2017 Bonds, the Subordinate Indenture, the Continuing Disclosure Certificate or this Purchase Contract, or contesting the powers of the Authority or any authority for the issuance of the Series 2017 Bonds, the adoption of the Bond Resolution or the PFC Resolution, or the execution and delivery by the Authority of, the Fifth Supplemental Subordinate Indenture, this Purchase Contract or the Continuing Disclosure Certificate; (v) which may result in any material adverse change relating to the business, operations or financial condition of the Authority or the ability of the Authority to pay the Series 2017 Bonds; or (vi) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) The Authority will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the Authority in cooperation with the Underwriters as may be reasonably requested (i) to qualify the Series 2017 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Underwriters; and (ii) to determine the eligibility of the Series 2017 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2017 Bonds; provided, however, that the Authority shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(j) The Series 2017 Bonds, when issued and delivered in accordance with the Bond Resolution and the Subordinate Indenture and sold to the Underwriters as provided herein, will be the legal, valid and binding limited obligations of the Authority, enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles whether or not sought, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against local government entities in the State of California, and (subject to the immediately preceding limitations) the owners of the Series 2017 Bonds will be entitled to the benefits of the Subordinate Indenture; upon such issuance and delivery the Subordinate Indenture will provide, for the benefit of the owners from time-to-time of the Series 2017 Bonds, a legally valid and binding pledge of and lien on the Net Revenues and the funds and accounts pledged to such Series 2017 Bonds under the Subordinate Indenture.

(k) When executed, this Purchase Contract, the Subordinate Indenture and the Continuing Disclosure Certificate (assuming due authorization, execution and delivery by the other parties thereto, if applicable) will constitute the valid and legally binding obligations of the Authority, enforceable in accordance with their terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles whether or not sought, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against local government entities in the State of California.

(l) All authorizations, approvals, licenses, permits, consents and orders of any federal or California governmental authority, legislative body, board, court, agency or commission having jurisdiction of the matter, or of any airline or tenant of the Authority, which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Authority of, its respective obligations under this Purchase Contract, the Subordinate Indenture and the Series 2017 Bonds, have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2017 Bonds.

(m) The Authority's Financial Statements set forth as Appendix B to the Preliminary Official Statement and the Official Statement and the financial information regarding the Authority included in [Table 13] of the Preliminary Official Statement and the Official Statement fairly present the financial position of the Authority as of the dates indicated and the results of its operations, the sources and uses of its cash and the changes in its fund balances for the periods therein specified to the extent included therein, and are in conformity with generally accepted accounting principles applied on a consistent basis, and there has been no material adverse change in the financial condition or results of operations of the Authority since the date thereof.

(n) The Authority has the right, power and authority to conduct its business and operations with respect to the Airport as described in the Preliminary Official Statement and the Official Statement.

(o) The forecasts included in the Financial Feasibility Report set forth in Appendix A of the Preliminary Official Statement and the Official Statement and in Table 23 in the forepart of the Preliminary Official Statement and the Official Statement are based on information and assumptions that were provided by and/or reviewed with and agreed to by Authority management. The forecasts reflect Authority management's expected course of action during the forecast period, and in Authority management's judgment, present fairly the expected financial results of the Authority. The Authority has no knowledge, after due inquiry, of any fact or circumstances that would have a material adverse effect on the assumptions or forecasts in the Financial Feasibility Report that the Authority has not disclosed to Unison Consulting, Inc. (the **"Feasibility Consultant"),** Kutak Rock LLP, Disclosure Counsel to the Authority ("Disclosure Counsel") and the Underwriters.

(p) The Authority is in compliance with all conditions, and has obtained all approvals and consents, necessary for the imposition and use of PFCs, as set forth in the Preliminary Official Statement and the Official Statement, including paying a portion of the debt service on the PFC Eligible Bonds.

(q) Any certificate signed by any authorized official of the Authority and delivered to the Underwriters shall be deemed to be a representation and warranty by the Authority to the Underwriters as to the statements made therein.

(r) The Authority will undertake, pursuant to the Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain enumerated events pursuant to Section (b)(5) of Rule 15c2-12. For the last five years, the Authority has been, and is now, in compliance with all of its continuing disclosure obligations under Rule 15c2-1 2.

(s) Between the date hereof and the Closing Date, the Authority will not supplement or amend the Bond Resolution, the PFC Resolution or the Subordinate Indenture (except as provided in the Fifth Supplemental Subordinate Indenture), without the prior written consent of the Representative.

5. **Offering; Representation of the Underwriters**.

(a) It shall be a condition to the Authority's obligations to sell and to deliver the Series 2017 Bonds to the Underwriters and to the Underwriters' obligations to purchase and to accept delivery of the Series 2017 Bonds that the entire $__________ principal amount of the Series 2017A Bonds and the entire $__________ principal amount of the Series 2017B Bonds shall be issued, sold and delivered by the Authority and purchased, accepted and paid for by the Underwriters on the Closing Date.

(b) Subject to the provisions of Section 6 hereof, the Underwriters agree to make a bona fide public offering of all of the Series 2017 Bonds at prices not in excess of the initial offering prices (or at yields not lower than the yields) set forth on the inside cover page of the Official Statement (as defined below), provided that the Underwriters may offer and sell the Series

2017 Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices or at yields higher than the initial yields set forth therein.

(c) The Representative is authorized to enter into this Purchase Contract on behalf of the Underwriters and this Purchase Contract is enforceable against the Underwriters in accordance with its terms. The Representative is authorized to take any action under this Purchase Contract required to be taken by the Underwriters. The signatory of this Purchase Contract on behalf of the Representative has been duly authorized to execute this Purchase Contract.

6. **Establishment of Issue Price**.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2017 Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel (as defined herein), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2017 Bonds.

(b) Except as otherwise set forth in Schedule I attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Series 2017 Bonds (the "**10% test**") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Representative shall report to the Authority the price or prices at which the Underwriters have sold to the public each maturity of the Series 2017 Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2017 Bonds, the Representative agrees to promptly report to the Authority the prices at which the Series 2017 Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or until all Series 2017 Bonds of that maturity have been sold to the public.

[Subsection (c) shall apply only if the Representative agrees to apply the hold-the-offering-price rule, as described below.]

(c) The Representative confirms that the Underwriters have offered the Series 2017 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2017 Bonds for which the 10% test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2017 Bonds, the Underwriters will neither offer nor sell unsold Series 2017 Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(i) the close of the fifth (5th) business day after the sale date; or

(ii) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2017 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise the Authority when the Underwriters have sold 10% of that maturity of the Series 2017 Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Authority acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Series 2017 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. [[The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2017 Bonds.]]

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2017 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2017 Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Series 2017 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2017 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2017 Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Series 2017 Bonds of that maturity or all Series 2017 Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Series 2017 Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2017 Bonds to the public),

(iii) a purchaser of any of the Series 2017 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

7. **Closing.** At 8:00a.m., California time, on _______ __, 2017 or at such other time as shall have been mutually agreed upon by the Authority and the Representative (the **"Closing Date"),** the Authority will deliver or cause to be delivered to the Representative, under the Fast Automated Securities Transfer System of The Depository Trust Company **("DTC"),** the Series 2017 Bonds, in the form of a separate single fully registered Bond for each series, maturity date and interest rate of the Series 2017 Bonds duly executed by the Authority and authenticated by the Subordinate Trustee, together with the other documents hereinafter mentioned. The Representative will accept such delivery and pay the Purchase Price of the Series 2017 Bonds as set forth in Paragraph 1 hereof by wire transfer in immediately available funds on the Closing Date. The Series 2017 Bonds shall be made available to the Subordinate Trustee not later than one business day before the Closing Date. Upon initial issuance, the ownership of such Series 2017 Bonds shall be registered in the registration books kept by the Subordinate Trustee in the name of Cede & Co., as the nominee of DTC.

Payment for the Series 2017 Bonds, together with delivery of the documents hereinafter mentioned shall be coordinated at the offices of the Authority in San Diego, California, or at such other place as shall have been mutually agreed upon by the Authority and the Representative. Such payment and delivery is herein called the "**Closing**." The Representative shall order CUSIP identification numbers and the Authority shall cause such CUSIP identification numbers to be printed on the Series 2017 Bonds, but neither the failure to print such number on any bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Representative to accept delivery of and pay for the Series 2017 Bonds on the Closing Date in accordance with the terms of this Purchase Contract.

8. **Closing Conditions**. The obligations of the Underwriters hereunder shall be subject to the performance by the Authority of its obligations hereunder at or prior to the Closing and are also subject to the following conditions:

(a) The representations and warranties of the Authority contained herein shall be true, complete and correct in all material respects on the date hereof and on the Closing Date as if made on the Closing Date.

(b) At the time of the Closing (i) the Bond Resolution, the PFC Resolution, the Subordinate Indenture and the Continuing Disclosure Certificate shall be in full force and effect as valid and binding agreements, as applicable, between the parties thereto and the Official Statement shall have been duly authorized, executed and delivered, in substantially the form heretofore submitted to the Underwriters, and the Subordinate Indenture, the Continuing Disclosure Certificate, the Bond Resolution, the PFC Resolution and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative (subject to the provisions of this Purchase Contract), and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel shall be necessary in connection with the transactions contemplated hereby; (ii) the Authority shall perform or have performed its obligations required under or specified in this Purchase Contract, the Bond Resolution, the PFC Resolution, the Continuing Disclosure Certificate and the Subordinate Indenture to be performed at or prior to the Closing; and (iii) there shall have been no material adverse change in the financial or physical condition of the Authority or its properties.

(c) At or prior to the Closing, the Underwriters shall receive the following documents, in each case reasonably satisfactory in form and substance to the Representative and to their counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation ("**Underwriters' Counsel**"):

(i) the unqualified approving opinion of Kutak Rock LLP ("**Bond Counsel**"), dated the Closing Date, addressed to the Authority, substantially in the form set forth as Appendix D to the Official Statement, together with a letter to the Underwriters stating that the Underwriters may rely on the same;

(ii) a supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriters, to the effect that: (A) the Series 2017 Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "**Securities Act**"), and the Subordinate Indenture is exempt from qualification under to the Trust Indenture Act of 1939, as amended (the "**Trust Indenture Act**"); and (B) the statements contained in the Official Statement under the captions "DESCRIPTION OF THE SUBORDINATE SERIES 2017 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS," "TAX MATTERS," "APPENDIX C - CERTAIN DEFINITIONS AND SUMMARIES OF THE MASTER SUBORDINATE INDENTURE AND THE FIFTH SUPPLEMENTAL SUBORDINATE INDENTURE," excluding any materials that may be treated as included under such captions by cross reference, insofar as such statements expressly summarize certain provisions of the Subordinate Indenture, the Series 2017 Bonds and Bond Counsel's opinion concerning federal tax matters relating to the Series 2017 Bonds, are accurate in all material respects;

(iii) an opinion of Disclosure Counsel, dated the Closing Date and addressed to the Authority and the Underwriters, substantially in the form attached as Exhibit A to this Purchase Contract;

(iv) an opinion, dated the Closing Date and addressed to the Underwriters, of counsel to the Authority, substantially in the form attached as Exhibit B to this Purchase Contract;

(v) an opinion of Underwriters' Counsel, dated the Closing Date and addressed to the Underwriters, acceptable in form to the Representative;

(vi) an opinion of counsel to the Subordinate Trustee, dated the date of Closing, addressed to the Authority and the Underwriters, to the effect that:

> (A) the Subordinate Trustee is a national banking association organized and existing under the laws of the United States of America, having full power and being qualified to enter, accept and administer the trust created under the Subordinate Indenture and to authenticate and deliver the Series 2017 Bonds;
>
> (B) the Series 2017 Bonds have been duly authenticated by the Subordinate Trustee in accordance with the Subordinate Indenture, and the Fifth Supplemental Subordinate Indenture has been duly authorized, executed and delivered by the Subordinate Trustee and, assuming due authorization, execution and delivery thereof by the Authority, the Subordinate Indenture constitutes the legal, valid and binding obligation of the Subordinate Trustee enforceable in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought; and
>
> (C) no authorization, approval, consent or order of any governmental agency or any other person is required for the valid authorization, execution and delivery of the Subordinate Indenture or the authentication of the Series 2017 Bonds by the Subordinate Trustee;

(vii) a certificate, dated the Closing Date, of the Authority executed by the President and CEO and one other Designated Officer (as defined in the Bond Resolution), to the effect that (A) the representations and warranties of the Authority in this Purchase Contract are true and correct as of the Closing Date, as if made on the Closing Date; (B) the representations and warranties of the Authority contained in the Subordinate Indenture were true as of the date originally made and are true and correct as of the Closing Date, as if made on the Closing Date; (C) the Authority has complied with all agreements and covenants and satisfied all conditions contemplated by this Purchase Contract, the Bond Resolution, the PFC Resolution and the Subordinate Indenture on its part to be performed or satisfied at or prior to the Closing Date; (D) the Official Statement (except for the information relating to DTC, the forecasts included in the Financial Feasibility Report set forth in Appendix A of the Official Statement and in Table 23 in the forepart of the Official Statement and under the caption "UNDERWRITING", as to which no view need be expressed (except as provided in (E) and (F) below)) as of its date and as of the Closing Date did not and does not contain any untrue statement of a material fact or omit any statement or information which is required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, provided that, except as otherwise provided in this Purchase Contract, the Authority makes no representations as to employment and economic data (including projections) obtained from third parties contained in the Financial Feasibility Report and the Official Statement; (E) the forecasts included in the Financial Feasibility Report set forth in Appendix A of the Official Statement and in Table 23 in the forepart of the Official Statement (1) are based on information and assumptions that were provided by and/or reviewed with and agreed to by Authority management, and (2) reflect Authority management's expected course of action during the forecast period, and in Authority management's judgment, present fairly the expected financial results of the Authority; and (F) the Authority has no knowledge, after due inquiry, of any fact or circumstances that would have a material adverse effect on the assumptions or forecasts in the Financial Feasibility Report that the Authority has not disclosed to the Feasibility Consultant, Disclosure Counsel and the Underwriters

(viii) a certificate of the Subordinate Trustee, dated the Closing Date, to the effect that:

(A) the Subordinate Trustee is duly organized and existing as a national banking association organized and existing under the laws of the United States of America, having the full power and authority to enter into, accept the trusts created under and perform its duties under the Subordinate Indenture and to authenticate the Series 2017 Bonds;

(B) the Subordinate Trustee was and is duly authorized to enter into the Subordinate Indenture and to authenticate and deliver the Series 2017 Bonds to the Underwriters pursuant to the terms of the Subordinate Indenture;

(C) the execution and delivery by the Subordinate Trustee of the Subordinate Indenture, and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Subordinate Trustee is a party or by which it is bound, or, to its best knowledge, any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Subordinate Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Subordinate Trustee with respect to any federal or state securities or blue sky laws or regulations);

(D) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of the knowledge of the Subordinate Trustee, threatened against or affecting the existence of the Subordinate Trustee or in any way contesting or affecting ·the validity or enforceability of the Series 2017 Bonds or the Subordinate Indenture or contesting the powers of the Subordinate Trustee or its authority to enter into and perform its obligations under any of the foregoing, or wherein an unfavorable decision, ruling or finding would adversely affect the Subordinate Trustee or the transactions contemplated in connection with the issuance and sale of the Series 2017 Bonds, or which, in any way, would adversely affect the validity of the Series 2017 Bonds, the

Subordinate Indenture or any agreement or instrument to which the Subordinate Trustee is a party and which is used or contemplated for use in the Subordinate Indenture, or the consummation of the transactions contemplated in connection with the issuance and sale of the Series 2017 Bonds; and

(E) subject to the provisions of the Fifth Supplemental Subordinate Indenture, the Subordinate Trustee will apply the proceeds from the Series 2017 Bonds to the purposes specified in the Fifth Supplemental Subordinate Indenture;

(ix) certified copies of the Bond Resolution and the PFC Resolution;

(x) executed copy of the Fifth Supplemental Subordinate Indenture;

(xi) an executed copy of the Continuing Disclosure Certificate;

(xii) a duly executed tax certificate of the Authority with respect to the Series 2017 Bonds in form satisfactory to Bond Counsel;

(xiii) two copies of the Official Statement, signed by the President and CEO/Executive Director of the Authority;

(xiv) an executed copy of the Financial Feasibility Report, together with the consent and certificate of the Feasibility Consultant substantially in the form of Exhibit C attached hereto;

(xv) a DTC Letter of Representation, executed by the Authority and accepted by DTC;

(xvi) evidence satisfactory to the Representative that Moody's Investors Service, Inc. **("Moody's"),** S&P Global Ratings, a division of Standard & Poor's Financial Services LLC **("S&P")** and Fitch Ratings **("Fitch")** have assigned ratings of"**__**,""**__**" and "**__**," respectively, to the Series 2017 Bonds;

(xvii) a copy of the Report of Proposed Debt Issuance and the Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission; and

(xviii) such additional legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy as of the time of the Closing of the representations and warranties of the Authority contained in this Purchase Contract and the due performance or satisfaction by the Authority at or prior to such time of all covenants and agreements then to be performed and all conditions then to be satisfied by the Authority pursuant to this Purchase Contract.

(d) If on the Closing Date the Authority fails to deliver any of the certificates, documents or opinions listed in Paragraph 7(c) of this Purchase Contract or is otherwise unable to satisfy the conditions to the obligations of the Underwriters hereunder, this Purchase Contract shall terminate at the option of the Representative and neither party shall have any further obligations hereunder.

9. **Termination.** The Representative, on behalf of the Underwriters, may terminate this Purchase Contract, without liability therefor (evidenced by a written notice to the Authority terminating the obligation of the Underwriters to accept delivery of and make any payment for the Series 2017 Bonds and stating the reasons therefor), if at any time subsequent to the date of this Purchase Contract and prior. to the Closing:

(a) There shall occur any of the following which in such case, in the reasonable opinion of the Representative will materially adversely affect (1) the marketability or the market price of the Series 2017 Bonds at the initial offering prices set forth in the Official Statement or (2) the ability of the Underwriters to enforce contracts for the sale of the Series 2017 Bonds:

(i) there shall occur any change, or any development involving a prospective change, in or affecting the business, properties or financial condition of the Authority;

(ii) legislation shall have been enacted by the Congress of the United States, or introduced by amendment or otherwise in or passed by either House of the Congress, or recommended or endorsed to the Congress for passage by the President of the United States, or favorably reported for passage to either House of the Congress of the United States by any committee of such House to which such legislation has been referred for consideration, or recommended or endorsed for passage or presented for consideration by any member of any such committee or by the Treasury Department of the United States, the Internal Revenue Service, or the staff of the Joint Committee on Taxation of the Congress, or a decision shall have been rendered by a court of the United States, or the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement shall have been made by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency of appropriate jurisdiction, with respect to federal taxation of interest received on the Series 2017 Bonds or securities of the general character of the Series 2017 Bonds or which would have the effect of changing, directly or indirectly, the federal tax consequences of receipt of interest on the Series 2017 Bonds or securities of the general character of the Series 2017 Bonds in the hands of the owners thereof;

(iii) there shall have occurred a declaration of war by the United States, any new outbreak of hostilities, or any escalation of existing hostilities, or any other national or international calamity, crisis or event;

(iv) any underlying rating (without taking into account any credit support provided by a third party) of Series 2017 Bonds, or any other bonds, notes or other obligations of the Authority shall have been downgraded, suspended or withdrawn, or the possibility of such a downgrading, suspension or withdrawal shall have been publicly announced, by Moody's, S&P or Fitch; or

(v) any legislation, ordinance, rule or regulation shall be introduced in or enacted by any governmental body, board, department or agency of the State of California or the United States, or a decision by any court of competent jurisdiction within the State of California or any court of the United States shall be rendered, affecting the Authority.

(b) There shall have occurred the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California or a major financial crisis or a material disruption in commercial banking or securities settlement, payment or clearance services materially affecting the Series 2017 Bonds.

(c) There shall be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or the New York Stock Exchange, other national securities exchange or any governmental authority shall impose, as to the Series 2017 Bonds or obligations of the general character of the Series 2017 Bonds, any material restrictions not in force or not being enforced, or a material increase of those now in force, with respect to the extension of credit by, or the charges to the net capital requirements of, the Underwriters as of the date hereof, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of any governmental authority having jurisdiction;

(d) An event occurs, or information becomes known, which, in the reasonable judgment of the Representative makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and, in any such event, (i) the Authority refuses to permit the Official Statement to be supplemented to correct or supply such statement or information, or (ii) the effect of the Official Statement as so supplemented is, in the reasonable judgment of the Representative, to materially adversely affect the marketability or market price of the Series 2017 Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2017 Bonds to customers.

(e) Legislation shall be enacted, or a decision of a court of the United States shall be rendered or any action, including a stop-order, shall be taken by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction in the subject matter which, in the opinion of counsel to the Underwriters and Bond Counsel, has the effect of requiring the contemplated distribution of the Series 2017 Bonds to be registered under the Securities Act or the Securities Exchange Act of 1934, as amended, or the Subordinate Indenture to be qualified under the Trust Indenture Act, or that would make illegal the reoffering, issuance or sale of the Series 2017 Bonds or beneficial interests therein.

10. **Expenses**.

(a) The Underwriters shall be under no obligation to pay and the Authority shall pay or cause to be paid the expenses incident to the performance of its obligations hereunder including but not limited to (i) the cost of the preparation, printing, or other reproduction (for distribution on or prior to the date hereof), and delivery of the Subordinate Indenture; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel, the Municipal Advisor, the Feasibility Consultant, the Independent Auditors and the Subordinate Trustee, and any other experts or consultants retained by the Authority; (iii) the cost of preparation and printing and signing of the Series 2017 Bonds and the registration of the Series 2017 Bonds; (iv) the cost of preparation, printing and delivery of the Preliminary Official Statement and the Official Statement and any supplements or amendments thereto; (v) charges of rating agencies for the ratings of the Series 2017 Bonds; and (vi) all other costs connected to issuance of the Series 2017 Bonds except costs specifically described in Paragraph 9(b) below.

(b) The Underwriters shall pay (i) the cost of preparation and printing of the Blue Sky memorandum to be used by them and the cost, if any, of printing of this Purchase Contract; (ii) all advertising expenses incurred by them in connection with the public offering of the Series 2017 Bonds; (iii) the fees and disbursements of Underwriters• Counsel; and (iv) all other expenses incurred by them in connection with their public offering and distribution of the Series 2017 Bonds.

11. **Notices**. Any notice or other communication to be given to the Authority under this Purchase Contract (other than the acceptance hereof as specified in Paragraph 1 hereof) may be given by delivering the same in writing to the San Diego County Regional Airport Authority, 3225 North Harbor Drive, 3rd Floor, San Diego, California 92101, Attention: Executive Director; any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to Morgan Stanley & Co. LLC, 1585 Broadway, New York, New York 10036, Attention: Ira Smelkinson.

12. **Governing Law**. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

13. **Parties in Interest**. This Purchase Contract when accepted by the Authority in writing as heretofore specified shall constitute the entire agreement between the Authority and the Underwriters and is made solely for the benefit of the Authority and the Underwriters. No other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements of the Authority in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriters, (b) delivery of and payment for the Series 2017 Bonds hereunder, and (c) any termination of this Purchase Contract.

14. **Headings**. The headings of the Paragraphs of this Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

15. **Effectiveness**. This Purchase Contract shall become effective upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable at the time of such acceptance.

16. **Counterparts.** This Purchase Contract may be executed in several counterparts, which together shall constitute one and the same instrument.

THE UNDERWRITERS:

MORGAN STANLEY & CO. LLC
JEFFRIES LLC
BACKSTROM MCCARLEY BERRY & CO., LLC
CITIGROUP GLOBAL MARKETS INC.
RBC CAPITAL MARKETS, LLC
SIEBERT CISNEROS SHANK & CO., L.L.C.

By: MORGAN STANLEY & CO. LLC, as Representative of the Underwriters

By ______________________________

The foregoing is hereby agreed to and accepted as of the date first above written.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ______________________________
Vice President, Finance & Asset Management
and Treasurer

APPROVED AS TO FORM:

By ______________________________
General Counsel
San Diego County Regional Airport Authority

[Signature page to Purchase Contract]

SCHEDULE I

$______________
San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2017A

Maturity Schedule

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price
	$	%	%	

$____________
San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2017B

<u>Maturity Schedule</u>

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price
	$	%	%	

REDEMPTION PROVISIONS

Optional Redemption. The Series 2017A Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to maturity. The Series 2017A Bonds maturing on or after July 1, 20___ are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 20___ at a redemption price equal to 100% of the principal amount of the Series 2017A Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

The Series 2017B Bonds maturing on or before July 1, 20__ are not subject to optional redemption prior to maturity. The Series 2017B Bonds maturing on or after July 1, 20___ are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 20___ at a redemption price equal to 100% of the principal amount of the Series 2017B Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Series 2017A Bonds maturing on July 1, 20___ (the "Series 2017A Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date (July 1)	**Principal Amount**

* Final Maturity.

The Series 2017B Bonds maturing on July 1, 20___ (the "Series 2017B Term Bonds," and together with the Series 2017A Term Bonds," the "Series 2017 Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

Redemption Date (July 1)	**Principal Amount**

* Final Maturity.

EXHIBIT A
FORM OF DISCLOSURE COUNSEL'S OPINION

[Closing Date]

San Diego County Regional Airport Authority
San Diego, California

Morgan Stanley & Co. LLC, as Representative of the Underwriters

$__________	$________
San Diego County	San Diego County
Regional Airport Authority	Regional Airport Authority
Subordinate Airport Revenue Bonds	Subordinate Airport Revenue Bonds
Series 2017A	Series 2017B
(Non-AMT)	(AMT)

Ladies and Gentlemen:

We have acted as Disclosure Counsel to the San Diego County Regional Airport Authority (the "Authority") in connection with the issuance and sale by the Authority of $__________ aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A (the "Series 2017A Bonds") and $________ aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B (the "Series 2017B Bonds," and together with the Series 2017A Bonds, the "Series 2017 Bonds"). In that connection, we have reviewed a printed copy of the Official Statement of the Authority, dated ______ __, 2017, with respect to the Series 2017 Bonds (the "Official Statement"). We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects to the printed version. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Official Statement.

In our capacity as Disclosure Counsel, we have participated with you and other parties in the preparation of the Official Statement. In the course of such participation, we have generally reviewed information furnished to us by, and have participated in conferences with, representatives of the Authority; the General Counsel of the Authority; Frasca & Associates, L.L.C., the Authority's municipal advisor; Unison Consulting, Inc., the Feasibility Consultant; Morgan Stanley & Co. LLC, Jeffries & Company, Inc., Backstrom McCarley Berry & Co., LLC, Citigroup Global Markets, Inc., RBC Capital Markets, LLC and Siebert Cisneros Shank & Co., L.L.C., the underwriters of the Series 2017 Bonds (the "Underwriters"); and Stradling Yocca Carlson & Rauth, a Professional Corporation counsel to the Underwriters; We have also reviewed the documents, certificates and opinions delivered this date related to the issuance of the Series 2017 Bonds, other documents and records relating to the authorization, issuance, delivery and sale of the Series 2017 Bonds and certain other files, records and documents of the Authority. In addition, we have relied upon, and assumed the correctness of, the certificates of the officials of the Authority and upon certain documents, opinions and letters.

Based solely on the foregoing, we advise you that although we have made no independent investigation or verification of the accuracy, correctness, fairness or completeness of, and do not pass upon or assume any responsibility for the accuracy, correctness, fairness or completeness of, the statements included in the Official Statement, during the course of the activities described in the preceding paragraph no information carne to the attention of the attorneys in our firm rendering legal services in connection with the issuance and delivery of the Series 2017 Bonds which causes us to believe that the Official Statement, as of its date and as of the date hereof (except for any information under the captions "UNDERWRITING," "APPENDIX A-FINANCIAL FEASIBILITY REPORT," "APPENDIX B-AUDITED FINANCIAL STATEMENTS OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY FOR THE FISCAL YEAR ENDED JUNE 30, 2016" and "APPENDIX F-BOOK-ENTRY-ONLY SYSTEM," any CUSIP numbers, financial statements, financial, accounting, statistical, economic, engineering, demographic or tabular data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion included in the Official Statement, or any information about DTC and its book-entry system included or referred to therein, which we expressly exclude from the scope of this letter and as to which we express no opinion or view), contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The scope of our engagement has not and does not extend beyond the examinations and the rendering of the opinions expressed herein. Our engagement with respect to the transaction referred to herein terminates upon the date of this letter. No attorney-client relationship has existed or exists between our film and any of the Underwriters in connection with the Series 2017 Bonds or by virtue of this letter. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in current laws, by legislative or regulatory action, by judicial decision or for any other reason. This letter is based solely upon existing laws, regulations, rulings and judicial decisions. We express no opinion as of any subsequent date or with respect to any pending legislation. No person (including, but in no way by limitation, the registered and beneficial owners of the Series 2017 Bonds) other than the addressees of this letter, may rely upon this letter without our express prior written consent. This letter may not be utilized by the addressees for any other purpose whatsoever and may not be quoted by such addressees without our express prior written consent.

Very truly yours,

EXHIBIT B
FORM OF AUTHORITY COUNSEL'S OPINION

[Closing Date]

San Diego County Regional Airport Authority
San Diego, California

Morgan Stanley & Co. LLC, as Representative of the Underwriters

Re: San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds, Series 2017A
Subordinate Airport Revenue Bonds, Series 2017B

Ladies and Gentlemen:

I am General Counsel to the San Diego County Regional Airport Authority (the "Authority") and have served as such in connection with the issuance, sale and delivery of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A (the "Series 2017A Bonds") and San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B (the Series 2017B Bonds," and together with the Series 2017A Bonds, the "Series 2017 Bonds"). The Series 2017 Bonds are being issued pursuant to the San Diego County Regional Airport Authority Act (Section 170000 et seq. of the California Public Utilities Code) (the "Act"); the Revenue Bond Law of 1941 Chapter 6 (commencing with Section 54300) of Part l of Division 2 of Title *5* of the California Government Code, excluding Article 3 (commencing with Section 54380) of Chapter 6 of Part 1 of Division 2 of Title *5* of the California Government Code and the limitations set forth in California Government Code Section 54402(b), which do not apply to the issuance and sale of bonds pursuant to the Act; the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "Subordinate Trustee"); and the Fifth Supplemental Trust Indenture, dated as of August 1, 2017 (the "Fifth Supplemental Subordinate Indenture," and together with the Master Subordinate Indenture, the "Subordinate Indenture"), by and between the Authority and the Subordinate Trustee.

In connection with such advice, I have examined copies of the Subordinate Indenture; the Purchase Contract, dated [________], 2017 (the "Purchase Contract"), between Morgan Stanley & Co. LLC, as Representative of the Underwriters, and the Authority; the Continuing Disclosure Certificate, dated August __, 2017 (the "Disclosure Certificate"), executed by the Authority; and the Tax Compliance Certificate, dated August __, 2017, with respect to the Series 2017 Bonds (the "Tax Certificate") executed by the Authority. The Subordinate Indenture, the Purchase Contract, the Disclosure Certificate and the Tax Certificate are collectively referred to herein as the "Legal Documents." Additionally, I have reviewed a certified copy of Resolution No. 2017-___, adopted by the board of directors of the Authority (the "Board") on July 6, 2017 (the "Bond Resolution'') and a certified copy of Resolution No. 2017-[_____], adopted by the Board on July 6, 2017 (the "PFC Resolution")]]. In connection with the delivery of the opinion in numbered paragraph 3 below, I have reviewed my records and consulted with the other attorneys in my office, the President and CEO, and the Vice President, Finance and Asset Management and Treasurer.

All capitalized terms not defined herein shall have the respective meanings ascribed thereto in the Purchase Contract.

Based upon such examination and considerations of law and fact as I have deemed necessary for the purpose of the opinions expressed herein, I am of the opinion that:

1. The Authority is a local governmental entity of regional government duly organized, validly existing and in good standing under the Act and the laws of the State of California.

2. The Bond Resolution and the PFC Resolution were duly adopted at a meeting of the Board which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout. ·

3. Except as disclosed in the Official Statement, to the best of my knowledge there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the Authority, which would materially and adversely impact the Authority's ability to complete the transactions described in and contemplated by the Preliminary Official Statement and the Official Statement, to restrain or enjoin the payments of debt service on the Series 2017 Bonds from Subordinate Net Revenues (as defined in the Subordinate Indenture) or in any way contesting or affecting the validity of the Legal Documents, the Bond Resolution, the PFC Resolution or the Series 2017 Bonds.

4. The execution and delivery of the Legal Documents, the adoption of the Bond Resolution and the PFC Resolution and the approval of the Preliminary Official Statement and the Official Statement, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach· of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject.

5. The Legal Documents, have been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other parties thereto constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against local government entities in the State of California.

6. No authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California, other than the Board, is required for the valid authorization, execution and delivery of the Legal Documents, and the approval of the Preliminary Official Statement and the Official Statement.

7. Based upon examinations which I have made and my discussions in conferences with certain officials of the Authority and others with respect to the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement (including the Appendices attached thereto), nothing has come to my attention which would lead me to believe that the Official Statement (other than financial and

statistical data therein and incorporated therein by reference, and other than information relating to DTC, the Book-Entry System or information provided by the Underwriters or the Feasibility Consultant for inclusion in the Official Statement, as to which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. ·

This opinion is given in an official capacity and not personally and no personal liability shall derive therefrom.

The use of the term "to the best of my knowledge" or similar phrases to qualify a statement in this Opinion means I do not have current actual knowledge that the statement is inaccurate. ·

This letter is for the sole benefit of the addressees in connection with the sale of the Series 2017 Bonds and is not to be used, circulated, quoted or otherwise referred to for any purpose. No other person may rely on this letter without my prior written consent. I do not undertake, and expressly disclaim, any obligation to amend or supplement this opinion as facts and circumstances come to my attention, or changes in law occur, after the date hereof which could affect such opinion.

Very truly yours,

EXHIBIT C

FORM OF CERTIFICATE OF THE FEASIBILITY CONSULTANT

The undersigned authorized representative of Unison Consulting, Inc. (the "Feasibility Consultant") hereby certifies that:

1. This Certificate is furnished pursuant to Paragraph 7(c)(xiv) of the Purchase Contract, dated ________ __, 2017, by and between Morgan Stanley & Co. LLC, as representative of the underwriters named therein (the "Underwriters"), and the San Diego County Regional Airport Authority (the ''Authority"), relating to the sale by the Authority of $________ aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A (the "Series 2017A Bonds") and $_________ aggregate principal amount of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B (the "Series 2017B Bonds," and together with the Series 2017A Bonds, the "Series 2017 Bonds"), as more fully described in the Preliminary Official Statement of the Authority, dated _______ __, 2017 (the "Preliminary Official Statement") and the Official Statement of the Authority, dated _______ __, 2017 (the "Official Statement"), prepared in connection with the sale of said Series 2017 Bonds.

2. The Feasibility Consultant has been retained by the Authority as its independent consultant to prepare the Financial Feasibility Report (the "Report"), included as Appendix A to the Preliminary Official Statement and the Official Statement, and consent is hereby given to the references to the Feasibility Consultant on the masthead page and under the captions "INTRODUCTION-Financial Feasibility Report," "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS-Additional Subordinate Obligations," "SECURITY AND SOURCES OF PAYMENT FOR THE SUBORDINATE SERIES 2017 BONDS-Use of PFCs to Pay Debt Service," "OUTSTANDING OBLIGATIONS AND DEBT SERVICE SCHEDULE - Future Financings," "FINANCIAL FEASIBILITY REPORT" and "CERTAIN INVESTMENT CONSIDERATIONS- Financial Feasibility Report" in the Preliminary Official Statement and the Official Statement and to the inclusion of the Report in Appendix A to the Preliminary Official Statement and the Official Statement.

3. In connection with the preparation of the Report, personnel for the Feasibility Consultant have participated in certain meetings and conference calls with representatives of the Authority, the Authority's Bond Counsel and Disclosure Counsel, the Authority's Municipal Advisor, the Underwriters for the Series 2017 Bonds and their counsel with respect to the issuance of the Series 2017 Bonds. Nothing has come to the attention of the Feasibility Consultant in relation to the preparation of the Report that would cause them to believe the Report was, as of its date or as of the date hereof, or any of the statements in the Preliminary Official Statement and the Official Statement specifically attributed to the Feasibility Consultant were, as of the date of the Preliminary Official Statement or as of the date of the Official Statement, or as of the date hereof, inaccurate in any material respect.

4. This Certificate is solely for the information of, and assistance to, the Authority, its Disclosure Counsel and the Underwriters in conducting and documenting their investigation of the matters covered by the Report in connection with the offering pursuant to the Preliminary Official Statement and the Official Statement of the Series 2017 Bonds, and is not to be used, circulated, quoted or otherwise referred to within or without the underwriting group for any other purpose, including but not limited to the purchase or sale of securities (other than the Series 2017 Bonds), nor

is it to be referred to in whole or in part in any other document (other than the Preliminary Official Statement of the Official Statement), except that reference may be made to it in the documents related to the Series 2017 Bonds. The Feasibility Consultant acknowledges and agrees that this Certificate will become part of the transcript related to the Series 2017 Bonds and will be publicly available.

IN WITNESS WHEREOF, the undersigned has executed this certificate this __ day of _________, 2017.

UNISON CONSULTING, INC.

By:______________________________

Title: ____________________________

EXHIBIT D

ISSUE PRICE CERTIFICATE

ATTACHMENT 3

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Certificate") is executed and delivered by the San Diego County Regional Airport Authority (the "Authority") in connection with the issuance of its San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A (the "Subordinate Series 2017A Bonds"), and San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B (the "Subordinate Series 2017B Bonds," and together with the Subordinate Series 2017A Bonds, the "Subordinate Series 2017 Bonds"). The Subordinate Series 2017 Bonds are being issued pursuant to the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association, as successor trustee (the "Subordinate Trustee"), and the Fifth Supplemental Subordinate Trust Indenture, dated as of August 1, 2017 (the "Fifth Supplemental Subordinate Indenture," and collectively with the Master Subordinate Indenture and all supplements thereto, the "Subordinate Indenture"), by and between the Authority and the Subordinate Trustee. Additionally, the Subordinate Series 2017 Bonds have been authorized by Resolution No. 2017-____ adopted by the board of directors of the Authority on July 6, 2017 (the "Resolution"). The Subordinate Series 2017 Bonds are being issued pursuant to Section 170000 et seq. of the California Public Utilities Code (the "Act"), and in accordance with Revenue Bond Law of 1941 Chapter 6 (commencing with §54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with §54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and the limitations set forth in California Government Code §54402(b), which shall not apply to the issuance and sale of bonds pursuant to the Act.

In consideration of the purchase of the Subordinate Series 2017 Bonds by the Participating Underwriter (as defined below), the Authority covenants and agrees as follows:

Section 1. Purpose of the Certificate. This Certificate is being executed and delivered by the Authority for the benefit of the Holders and Beneficial Owners of the Subordinate Series 2017 Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule").

Section 2. Definitions. In addition to the definitions set forth in the Subordinate Indenture, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 hereof.

"*Beneficial Owner*" means any person which (a) has or shares the power, directly or indirectly, to vote or consent with respect to, to make investment decisions concerning the ownership of, or to dispose of ownership of, any Subordinate Series 2017 Bonds (including persons holding Subordinate Series 2017 Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Subordinate Series 2017 Bonds for federal income tax purposes.

"*Dissemination Agent*" means the Authority, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"*EMMA System*" means the MSRB's Electronic Municipal Market Access system, or such other electronic system designated by the MSRB.

"*Holders*" means either the registered owners of the Subordinate Series 2017 Bonds, or if the Subordinate Series 2017 Bonds are registered in the name of The Depository Trust Company or other recognized securities depository, any applicable participant in its depository system.

"*Listed Events*" means any of the events listed in Sections 5(a) and 5(b) hereof.

"*MSRB*" means the Municipal Securities Rulemaking Board, or any successor thereto.

"*Obligated Person*" means the Authority and each airline or other entity using the Airport System under a lease or use agreement extending for more than one year from the date in question and including bond debt service as part of the calculation of rates and charges, under which lease or use agreement such airline or other entity has paid amounts equal to at least 20% of the Revenues of the Airport System for the prior two Fiscal Years of the Authority. At the time of issuance of the Subordinate Series 2017 Bonds, the Authority is the only Obligated Person.

"*Official Statement*" means the Official Statement, dated July ___, 2017, prepared and distributed in connection with the initial sale of the Subordinate Series 2017 Bonds.

"*Participating Underwriter*" means any of the original underwriters of the Subordinate Series 2017 Bonds required to comply with the Rule in connection with the offering of the Subordinate Series 2017 Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" means the State of California.

Section 3. Provision of Annual Reports.

(a) The Authority shall provide, or shall cause the Dissemination Agent to provide, to the MSRB through the EMMA System (in an electronic format and accompanied by identifying information all as prescribed by the MSRB) an Annual Report which is consistent with the requirements of Section 4 hereof by not later than 181 days after the end of the Authority's fiscal year in each fiscal year. The Authority's first Annual Report shall be due December 28, 2018. Not later than 15 Business Days prior to said date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 hereof. The audited financial statements of the Authority may be submitted separately from the balance of the Annual Report if they are not available by the date of submission, provided such financial statements are submitted within 210 days after the end of the Authority's fiscal year. If the Authority's fiscal year changes, the Authority, upon becoming aware of such change, shall give notice of such change in the same manner as for a Listed Event under Section 5(e) hereof.

(b) If by 15 Business Days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the Dissemination Agent (if other than the Authority) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Authority to determine if the Authority is in compliance with subsection (a).

(c) If the Authority is unable to provide to the MSRB or the Dissemination Agent (if other than the Authority), an Annual Report by the date required in subsection (a), the Authority shall send a notice to the MSRB through the EMMA System in substantially the form attached hereto as Exhibit A.

(d) The Dissemination Agent (if other than the Authority) shall confirm in writing to the Authority that the Annual Report has been filed as required hereunder, stating the date filed.

Section 4. Content of Annual Reports.

(a) The Authority's Annual Report shall contain or incorporate by reference the following, updated to incorporate information for the most recent fiscal or calendar year, as applicable (the tables referred to below are those appearing in the Official Statement relating to the Subordinate Series 2017 Bonds, unless otherwise noted):

(i) Audited financial statements of the Authority, updated to incorporate information for the most recent fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, and as further modified according to applicable State law. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the usual format utilized by the Authority, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(ii) Outstanding principal amounts of the Senior Bonds (including the Senior Series 2013 Bonds) and the Subordinate Obligations (including the Subordinate Series 2017 Bonds, the Subordinate Series 2010 Bonds, the Subordinate Revolving Obligations and the Subordinate Drawdown Bonds);

(iii) Table 4 — San Diego County Regional Airport Authority, Future Rental Commitments;

(iv) Table 5 — San Diego International Airport, Air Carriers Serving San Diego International Airport;

(v) Table 6 — San Diego International Airport, Total Enplanements and Deplanements;

(vi) Table 7 — San Diego International Airport, Revenue Operations;

(vii) Table 8 — San Diego International Airport, Historical Enplaned and Deplaned Freight and U.S. Mail Cargo;

(viii) Table 9 — San Diego International Airport, Enplanements by Air Carriers;

(ix) Table 10 — San Diego International Airport, Total Revenue Landed Weight;

(x) Table 12 — San Diego County Regional Airport Authority, Investments;

(xi) Table 13 — San Diego County Regional Airport Authority, Statements of Revenues, Expenses and Change in Net Position;

(xii) Table 14 — San Diego County Regional Airport Authority, Top Ten Operating Revenue Providers;

(xiii) Table 15 — San Diego County Regional Airport Authority, Top Ten Operating Revenue Sources;

(xiv) Table 16 — San Diego County Regional Airport Authority, Historical Senior and Subordinate Debt Service Coverage;

(xv) Table 17 — San Diego International Airport, Airline Derived Revenue Per Passenger;

(xvi) Table 21 — San Diego County Regional Airport Authority, Approved PFC Applications; and

(xvii) Table 22 — San Diego County Regional Airport Authority, Annual Receipt of PFCs;

(b) All or any portion of the information of the Annual Report may be incorporated in the Annual Report by cross reference to any other documents which have been filed with the MSRB.

(c) Information contained in an Annual Report for any fiscal year containing any modified operating data or financial information (as contemplated by Section 8 hereof) for such fiscal year shall explain, in narrative form, the reasons for such modification and the effect of such modification on the Annual Report being provided for such fiscal year. If a change in accounting principles is included in any such modification, such Annual Report shall present a comparison between the financial statements or information prepared on the basis of modified accounting principles and those prepared on the basis of former accounting principles.

Any or all of the items above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Subordinate Series 2017 Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;

2. Unscheduled draws on debt service reserves reflecting financial difficulties;

3. Unscheduled draws on credit enhancements reflecting financial difficulties;

4. Substitution of credit or liquidity providers, or their failure to perform;

5. Adverse tax opinions with respect to the tax status of the Subordinate Series 2017 Bonds or the issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) with respect to the Subordinate Series 2017 Bonds;

6. Tender offers;

7. Defeasances;

8. Rating changes; or

9. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Subordinate Series 2017 Bonds, if material, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Subordinate Series 2017 Bonds or other material events affecting the tax status of the Subordinate Series 2017 Bonds;

2. Modifications to rights of the Beneficial Owners or Holders of the Subordinate Series 2017 Bonds;

3. Optional, unscheduled or contingent bond calls;

4. Release, substitution or sale of property securing repayment of the Subordinate Series 2017 Bonds;

5. Non-payment related defaults;

6. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

7. Appointment of a successor or additional trustee or the change of name of a trustee;

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3(a) hereof, as provided in Section 3 hereof.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b) hereof, the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of an occurrence of a Listed Event described in Section 5(a) hereof, or determines that knowledge of a Listed Event described in Section 5(b) hereof would be material under applicable federal securities laws, the Authority shall within ten business days of occurrence file a notice of such occurrence with the MSRB through the EMMA System in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the

Listed Event described in subsections (a)(7) or (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Beneficial Owners and Holders of the affected Subordinate Series 2017 Bonds pursuant to the Subordinate Indenture.

Section 6. Termination of Reporting Obligation. The Authority's obligations under this Certificate shall terminate upon the legal defeasance, prior redemption or payment of amounts fully sufficient to pay and discharge the Subordinate Series 2017 Bonds, or upon delivery to the Dissemination Agent (if other than the Authority) of an opinion of nationally recognized bond counsel to the effect that continuing disclosure is no longer required. If such termination occurs prior to the final maturity of the Subordinate Series 2017 Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(e) hereof.

Section 7. Dissemination Agent. From time to time, the Authority may appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent (if other than the Authority) shall be entitled to reasonable compensation for its services hereunder and reimbursement of its out of pocket expenses (including, but not limited to, attorneys' fees). The Dissemination Agent (if other than the Authority) shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Certificate.

Section 8. Amendment Waiver. Notwithstanding any other provision of this Certificate, the Authority may amend this Certificate, and any provision of this Certificate may be waived, provided that all of the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, change in law (including rules or regulations) or in interpretations thereof, or change in the identity, nature or status of an Obligated Person with respect to the Subordinate Series 2017 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Subordinate Series 2017 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Beneficial Owners of the Subordinate Series 2017 Bonds in the same manner as provided in the Subordinate Indenture for amendments to the Subordinate Indenture with the consent of Beneficial Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Beneficial Owners of the Subordinate Series 2017 Bonds.

In the event of any amendment or waiver of a provision of this Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e) hereof, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Certificate, the Authority shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Authority to comply with any provision of this Certificate, any Holder or Beneficial Owner of the Subordinate Series 2017 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Dissemination Agent (if other than the Authority), as the case may be, to comply with its obligations under this Certificate. A default under this Certificate shall not be deemed an Event of Default under the Subordinate Indenture and the sole remedy under this Certificate in the event of any failure of the Authority or the Dissemination Agent (if other than the Authority) to comply with this Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are expressly and specifically set forth in this Certificate, and the Authority agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any claims, losses, expenses and liabilities which such Dissemination Agent may incur arising out of or in the exercise or performance of the powers and duties given to the Dissemination Agent hereunder, including the costs and expenses (including attorneys' fees) of defending, in any manner or forum, against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct, subject to the Subordinate Indenture. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Subordinate Series 2017 Bonds.

Section 12. Beneficiaries. This Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and the Holders and

Beneficial Owners from time to time of the Subordinate Series 2017 Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the undersigned has hereunto signed and executed this Certificate this ____ day of August, 2017.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ____
Name: _____________________________________
Title: ______________________________________

Approved as to form:

By __________________________________
Amy Gonzalez
General Counsel

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	San Diego County Regional Airport Authority
Name of Bond Issue:	Subordinate Airport Revenue Bonds, Series 2017A
	Subordinate Airport Revenue Bonds, Series 2017B
Date of Issuance:	August ___, 2017
CUSIP:	79739G____

NOTICE IS HEREBY GIVEN that the San Diego County Regional Airport Authority (the "Authority") has not provided an Annual Report with respect to the above named Bonds as required by Section 3 of the Continuing Disclosure Certificate, dated August ___, 2017, executed by the Authority for the benefit of the holders and beneficial owners of the above referenced bonds. The Authority anticipates that the Annual Report will be filed by _________, 20__.

Dated:___________________

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By: ____
Authorized Representative

Attachment 4

FIFTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

by and between

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION
as Trustee

Relating to

$[PARA]	$[PARB]
San Diego County Regional Airport Authority	San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds	Subordinate Airport Revenue Bonds
Series 2017A	Series 2017B
(Non-AMT)	(AMT)

Dated as of [_______] 1, 2017

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ARTICLE VI
MISCELLANEOUS

FIFTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE

THIS FIFTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE (this "***Fifth Supplemental Subordinate Indenture***"), dated as of [________] 1, 2017, is made by and between the **SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY,** a local government entity of regional government created pursuant to laws of the State of California (the "***Authority***"), and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States of America, as successor trustee (the "***Trustee***"), and supplements the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "***Master Subordinate Indenture***"), by and between the Authority and the Trustee.

WHEREAS, the Master Subordinate Indenture provides, in Section 2.09 thereof, for the issuance of Subordinate Obligations and, in Section 10.02 thereof, for the execution and delivery of Supplemental Subordinate Indentures setting forth the terms of such Subordinate Obligations;

WHEREAS, the Authority now, for the purpose of providing money to finance and refinance certain capital improvements to the Airport System, by execution and delivery of this Fifth Supplemental Subordinate Indenture and in compliance with the provisions of the Master Subordinate Indenture, sets forth the terms of its (a) $[PARA] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A (the "***Series 2017A Bonds***"), and (b) $[PARB] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B (the "***Series 2017B Bonds***" and together with the Series 2017A Bonds, the "***Series 2017 Bonds***"), provides for the deposit and use of the proceeds of the Series 2017 Bonds, and makes other provisions relating to the Series 2017 Bonds;

GRANTING CLAUSE

In order to secure the payment of the Series 2017 Bonds, the Authority hereby pledges, assigns and grants to the Trustee with respect to the Series 2017 Bonds all of the liens, rights, interests and privileges set forth in the Granting Clause of, and elsewhere in, the Master Subordinate Indenture. To secure further the payment of the Series 2017 Bonds, the Authority in furtherance of the Master Subordinate Indenture hereby pledges and grants to the Trustee a lien on and security interest in and assigns to the Trustee all right, title and interest of the Authority, except as otherwise provided herein, in and to the Reserve Fund (as hereinafter defined) and all moneys and securities held from time to time therein and, with respect to any Reserve Fund Insurance Policy (as hereinafter defined) provided at any time in satisfaction of all or a portion of the Reserve Requirement (as hereinafter defined), all rights, title and interest in such instruments and the proceeds thereof.

ARTICLE I

DEFINITIONS; INTERPRETATIONS

Section 1.01. Definitions. The following definitions shall apply to terms used in this Fifth Supplemental Subordinate Indenture unless the context clearly requires otherwise. Capitalized terms not otherwise defined in this Section 1.01 or elsewhere in this Fifth

Supplemental Subordinate Indenture shall have the same meanings as set forth in the Master Subordinate Indenture.

"*Authorized Denominations*" means $5,000 principal amount and integral multiples thereof.

"*Beneficial Owner*" means, whenever used with respect to a Series 2017 Bond, the person in whose name such Series 2017 Bond is recorded as the beneficial owner of such Series 2017 Bond by a Participant on the records of such Participant or such person's subrogee.

"*Book-Entry Bonds*" means the Series 2017 Bonds held by DTC (or its nominee) as the Holder thereof pursuant to the terms and provisions of <u>Section 2.05</u> hereof.

"*Cede & Co.*" means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2017 Bonds.

"*Continuing Disclosure Certificate*" means the certificate of the Authority, dated the date of issuance of the Series 2017 Bonds, pursuant to which the Authority shall agree to undertake for the benefit of the Holders and the Beneficial Owners of the Series 2017 Bonds certain ongoing disclosure requirements.

"*Costs of Issuance*" means all costs and expenses incurred by the Authority in connection with the issuance of the Series 2017 Bonds, including, but not limited to, costs and expenses of printing and copying documents, the preliminary and final official statements and the Series 2017 Bonds, underwriters' compensation, and the fees, costs and expenses of rating agencies, the Trustee, counsel, accountants, financial advisors, feasibility consultants and other consultants.

"*DTC*" means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

"*EMMA System*" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system or any successor nationally recognized municipal securities information repositories recognized by the Securities and Exchange Commission.

"*Fifth Supplemental Subordinate Indenture*" means this Fifth Supplemental Subordinate Trust Indenture, dated as of [________] 1, 2017, by and between the Authority and the Trustee and which, among other things, sets forth the terms of the Series 2017 Bonds.

"*Interest Payment Date*" means each January 1 and July 1, commencing [January 1], 2018, the dates upon which interest on the Series 2017 Bonds becomes due and payable.

"*Master Subordinate Indenture*" means the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended from time to time, by and between the Authority and the Trustee under which the Series 2017 Bonds are authorized and secured.

"*Non-AMT Revolving Obligation Debt Service Fund*" has the meaning set forth in the Third Supplemental Subordinate Indenture.

"*Non-AMT Revolving Obligation Redemption Account*" means the Redemption Account of the Non-AMT Revolving Obligation Debt Service Fund established and maintained by the Trustee in accordance with the provisions of the Third Supplemental Subordinate Indenture.

"*Participants*" means the participants of DTC which include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.

"*Paying Agent*," for purposes of this Fifth Supplemental Subordinate Indenture, means the Trustee, or any other institution appointed by the Authority.

"*Record Date*" means for a January 1 Interest Payment Date the preceding December 15 and for a July 1 Interest Payment Date the preceding June 15.

"*Refunded Non-AMT Revolving Obligations*" means, collectively (a) $[13,750,000.00] aggregate principal amount of the Authority's Subordinate Airport Revenue Revolving Obligations, Series A (Non-AMT) (Advance #2), (b) $[6,000,000.00] aggregate principal amount of the Authority's Subordinate Airport Revenue Revolving Obligations, Series A (Non-AMT) (Advance #3), (c) $[4,500,000.00] aggregate principal amount of the Authority's Subordinate Airport Revenue Revolving Obligations, Series A (Non-AMT) (Advance #4), and (d) $[2,300,000.00] aggregate principal amount of the Authority's Subordinate Airport Revenue Revolving Obligations, Series A (Non-AMT) (Advance #5), that will be refunded with a portion of the proceeds of the Series 2017A Bonds [and certain moneys to be contributed by the Authority on the date of issuance of the Series 2017A Bonds].

"*Registrar*" for purposes of this Fifth Supplemental Subordinate Indenture, means the Trustee.

"*Representation Letter*" means the Blanket Issuer Letter of Representations dated October 20, 2005 from the Authority to DTC.

"*Reserve Fund*" means the "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Debt Service Reserve Fund" established pursuant to the Master Subordinate Indenture and the Second Supplemental Subordinate Indenture.

"*Reserve Fund Insurance Policy*" has the meaning as set forth in the Second Supplemental Subordinate Indenture.

"*Reserve Requirement*" shall have the meaning as set forth in the Second Supplemental Subordinate Indenture. At the time of issuance of the Series 2017 Bonds, the Reserve Requirement shall be equal to $[__________].

"*Second Supplemental Subordinate Indenture*" means the Second Supplemental Subordinate Trust Indenture, dated as of October 1, 2010, by and between the Authority and the Trustee.

"*Series 2017 Bonds*" means, collectively, the Series 2017A Bonds and the Series 2017B Bonds.

"*Series 2017 Costs of Issuance Fund*" means the Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2017 Bonds.

"*Series 2017 Rebate Fund*" means the Fund of such designation established pursuant to Section 4.01 hereof.

"*Series 2017 Reserve Account*" means the Account of such designation established in the Reserve Fund pursuant to Section 4.01 and 4.09 hereof.

"Series 2017 Term Bonds" means, collectively, the Series 2017A Term Bonds and the Series 2017B Term Bonds.

"*Series 2017A Bonds*" means $[PARA] aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture and designated as "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A."

"*Series 2017A Construction Fund*" means the Construction Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of the Series 2017A Project.

"*Series 2017A Costs of Issuance Account*" means the Account of such designation established in the Series 2017 Costs of Issuance Fund pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2017A Bonds.

"*Series 2017A Debt Service Fund*" means the Debt Service Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay debt service on the Series 2017A Bonds.

"*Series 2017A Project*" means, collectively, any or all of those capital expenditures listed in Exhibit C-1 attached hereto which are to be financed and refinanced from amounts deposited into the Series 2017A Construction Fund.

"*Series 2017A Term Bonds*" means the Series 2017A Bonds maturing on July 1, 20[__] and July 1, 20[__].

"*Series 2017B Bonds*" means $[PARB] aggregate principal amount of Subordinate Obligations issued under the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture and designated as "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B."

"*Series 2017B Construction Fund*" means the Construction Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of the Series 2017B Project.

"*Series 2017B Costs of Issuance Account*" means the Account of such designation established in the Series 2017 Costs of Issuance Fund pursuant to Section 4.01 hereof and into which money is to be deposited to pay Costs of Issuance of the Series 2017B Bonds.

"*Series 2017B Debt Service Fund*" means the Debt Service Fund of such designation established pursuant to Section 4.01 hereof and into which money is to be deposited to pay debt service on the Series 2017B Bonds.

"*Series 2017B Project*" means, collectively, any or all of those capital expenditures listed in Exhibit C-2 attached hereto which are to be financed and refinanced from amounts deposited into the Series 2017B Construction Fund.

"*Series 2017B Term Bonds*" means the Series 2017B Bonds maturing on July 1, 20[__] and July 1, 20[__].

"*Tax Certificate*" means the Tax Compliance Certificate, dated the date of issuance of the Series 2017 Bonds, as amended from time to time, entered into by the Authority and executed with respect to the Series 2017 Bonds.

"*Third Supplemental Subordinate Indenture*" means the Third Supplemental Subordinate Trust Indenture, dated as of September 1, 2014, by and between the Authority and the Trustee and which, among other things, sets forth the terms of the Refunded Non-AMT Revolving Obligations.

Section 1.02. Article and Section References. Except as otherwise indicated, references to Articles and Sections are to Articles and Sections of this Fifth Supplemental Subordinate Indenture.

ARTICLE II

THE SERIES 2017 BONDS

Section 2.01. Designation of the Series 2017 Bonds; Principal Amount. The Subordinate Obligations authorized to be issued under the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture shall be designated as (a) "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017A", which shall be issued in the original principal amount of $[PARA], and (b) "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017B", which shall be issued in the original principal amount of $[PARB].

Section 2.02. Series 2017 Bonds Issued Under the Master Subordinate Indenture; Security; Parity. The Series 2017 Bonds are issued as Subordinate Obligations under and subject to the terms of the Master Subordinate Indenture and are secured by and payable from the Subordinate Net Revenues and other security provided in the Granting Clauses of the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture and in accordance with the terms of the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture.

To further secure the payment of the Series 2017 Bonds, the Authority in furtherance of the Master Subordinate Indenture hereby pledges and grants to the Trustee a lien on and security interest in and assigns to the Trustee all right, title and interest of the Authority, except as otherwise provided herein, in and to the Reserve Fund and all moneys and securities held from time to time therein and, with respect to any Reserve Fund Insurance Policy provided at any time in satisfaction of all or a portion of the Reserve Requirement, all rights, title and interest in such instruments and the proceeds thereof.

Section 2.03. General Terms of the Series 2017 Bonds. The Series 2017 Bonds shall, upon initial issuance, be dated [__________], 2017. Each Series 2017 Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless such date of authentication is an Interest Payment Date, in which event such Series 2017 Bond shall bear interest from such date of authentication, or unless such date of authentication is after a Record Date and before the next succeeding Interest Payment Date, in which event such Series 2017 Bond shall bear interest from such succeeding Interest Payment Date, or unless such date of authentication is on or before [December 15], 2017, in which, event such Series 2017 Bond shall bear interest from [___________], 2017. If interest on the Series 2017 Bonds shall be in default, Series 2017 Bonds issued in exchange for Series 2017 Bonds surrendered for transfer or exchange shall bear interest from the Interest Payment Date to which interest has been paid in full on the Series 2017 Bonds surrendered. The Series 2017 Bonds shall be issued in denominations of $5,000 original principal amount or integral multiples thereof.

Interest on the Series 2017 Bonds shall be paid on [January 1], 2018 and semiannually thereafter on January 1 and July 1.

Interest on the Series 2017 Bonds shall be calculated on the basis of a year of 360 days and twelve 30-day months.

The Series 2017A Bonds shall be issued in the original principal amount of $[PARA] and shall mature on the dates and in the principal amounts and bear interest at the interest rates as set forth in the following schedule:

Maturity Date (July 1)	**Principal Amount**	**Interest Rate**
	$	%

The Series 2017B Bonds shall be issued in the original principal amount of $[PARB] and shall mature on the dates and in the principal amounts and bear interest at the interest rates as set forth in the following schedule:

Maturity Date (July 1)	**Principal Amount**	**Interest Rate**
	$	%

Payment of the principal of the Series 2017 Bonds shall be made upon surrender of the Series 2017 Bonds to the Trustee or its agent; provided that with respect to the Series 2017 Bonds which are Book-Entry Bonds, the payment of the principal shall be made as provided in Section 2.05 hereof and the Representation Letter. Payment of interest on Series 2017 Bonds which are not Book-Entry Bonds shall be paid by check or draft of the Trustee mailed on the applicable Interest Payment Date by first-class mail to the person who is the Holder thereof on the Record Date, and such payment shall be mailed to such Holder at his address as it appears on the registration books of the Registrar. The payment of interest on Book-Entry Bonds shall be made as provided in Section 2.05 hereof and the Representation Letter. With respect to all Series 2017 Bonds, interest due and payable on any Interest Payment Date shall be paid to the person who is the Holder as of the Record Date. The Series 2017 Bonds shall be substantially in the form of Exhibit A attached hereto.

If the principal of a Series 2017 Bond becomes due and payable, but shall not have been paid as a result of a default hereunder, and no provision is made for its payment, then such Series 2017 Bond shall bear interest at the same rate after such default as on the day before the default occurred.

Principal and interest will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money.

Section 2.04. Exchange of Series 2017 Bonds. Series 2017 Bonds which are delivered to the Registrar for exchange may be exchanged for an equal total principal amount of the same Series of such Series 2017 Bonds with the same interest rate and maturity date. The cost of printing Series 2017 Bonds and any services rendered or expenses incurred by the Trustee or the Registrar in connection with any transfer or exchange shall be paid by the Authority. The

Trustee or the Registrar may require the payment by the Holders requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such transfer.

The Registrar will not, however, be required to transfer or exchange any such Series 2017 Bond during the period established by the Registrar for selection of Series 2017 Bonds for redemption or any Series 2017 Bond which has been selected for redemption.

Section 2.05. Book-Entry Bonds.

(a) Except as provided in subparagraph (c) of this Section, the Holder of all of the Series 2017 Bonds shall be DTC and the Series 2017 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of principal and redemption price of and interest on any Series 2017 Bond registered in the name of Cede & Co. shall be made by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of Cede & Co. at the address indicated on the Record Date or special record date for Cede & Co. in the registration books of the Registrar.

(b) The Series 2017 Bonds shall be initially issued in the form of separate single authenticated fully registered bonds for each separate stated maturity and interest rate for each Series of the Series 2017 Bonds. Upon initial issuance, the ownership of such Series 2017 Bonds shall be registered in the registration books of the Registrar in the name of Cede & Co., as nominee of DTC. The Trustee, the Registrar and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2017 Bonds registered in its name for the purposes of paying the principal and redemption price of and interest on the Series 2017 Bonds, selecting the Series 2017 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders under the Master Subordinate Indenture or this Fifth Supplemental Subordinate Indenture, registering the transfer of Series 2017 Bonds, obtaining any consent or other action to be taken by Holders and for all other purposes whatsoever, and neither the Trustee, the Registrar nor the Authority shall be affected by any notice to the contrary. Neither the Trustee, the Registrar nor the Authority shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2017 Bonds under or through DTC or any Participant, or any other person which is not shown on the registration books as being a Holder, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal and redemption price of or interest on the Series 2017 Bonds; any notice which is permitted or required to be given to Holders under the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2017 Bonds; any consent given or other action taken by DTC as Holder; or any other purpose. The Trustee shall pay all principal and redemption price of and interest on the Series 2017 Bonds only to or "upon the order of" DTC (as that term is used in the Uniform Commercial Code as adopted in the State of California), and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to the principal and redemption price of and interest on the Series 2017 Bonds to the extent of the sum or sums so paid. No person other than DTC shall receive an authenticated Series 2017 Bond evidencing the obligation of the Authority to make payments of principal, redemption price and interest pursuant to the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Record Dates, the word "Cede & Co." in this Fifth Supplemental Subordinate Indenture shall refer to such new nominee of DTC.

(c) In the event the Authority determines that it is in the best interest of the Beneficial Owners that they be able to obtain Series 2017 Bond certificates, and notifies DTC, the Trustee and the Registrar of such determination, then DTC will notify the Participants of the availability through DTC of Series 2017 Bond certificates. In such event, the Trustee shall authenticate and the Registrar shall transfer and exchange Series 2017 Bond certificates as requested by DTC and any other Holders in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2017 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and the Trustee shall be obligated to deliver Series 2017 Bond certificates as described in this Fifth Supplemental Subordinate Indenture. In the event Series 2017 Bond certificates are issued, the provisions of the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal and redemption price of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2017 Bonds to any Participant having Series 2017 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 Bonds.

(d) Notwithstanding any other provision of the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture to the contrary, so long as any Series 2017 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal and redemption price of and interest on such Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, to DTC as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Holders pursuant to the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Holders, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible. Notice to DTC shall be given only when DTC is the sole Holder.

NEITHER THE AUTHORITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS OR BENEFICIAL OWNERS WITH RESPECT TO: THE PAYMENT BY DTC, TO ANY PARTICIPANT OF THE PRINCIPAL AND REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2017 BONDS; THE PROVIDING OF NOTICE TO PARTICIPANTS OR BENEFICIAL OWNERS; THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, OR ANY PARTICIPANT; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2017 BONDS.

ARTICLE III

REDEMPTION OF SERIES 2017 BONDS

Section 3.01. Notices to Holders. If the Authority wishes that any Series 2017 Bonds be redeemed pursuant to the provision of this Fifth Supplemental Subordinate Indenture, the Authority will notify the Trustee of the applicable provision, the Series of Series 2017 Bonds being redeemed, the redemption date, the Series, the maturity date, the interest rate, the CUSIP number and the principal amount and the redemption price of the Series 2017 Bonds to be redeemed and other necessary particulars. The Authority will give notice to the Trustee at least thirty-five (35) days before the redemption date, provided that the Trustee may, at its option, waive such notice or accept notice at a later date. The Trustee shall give notice of redemption, in the name of the Authority, to Holders affected by redemption at least thirty (30) days but not more than sixty (60) days before each redemption date, send such notice of redemption by first class mail (or with respect to Series 2017 Bonds held by DTC via electronic means or by an express delivery service for delivery on the next following Business Day or by such other means as otherwise permitted or required by DTC's procedures) to each Holder of a Series 2017 Bond to be redeemed. Each such notice shall be sent to the Holder's registered address.

Each notice of redemption shall specify the Series, the issue date, the maturity date, the interest rate and the CUSIP number of each Series 2017 Bond to be redeemed, if less than all Series 2017 Bonds of a Series, maturity date and interest rate are called for redemption the numbers assigned to the Series 2017 Bonds to be redeemed, the principal amount to be redeemed, the date fixed for redemption, the redemption price, the place or places of payment, the Trustee's name, that payment will be made upon presentation and surrender of the Series 2017 Bonds to be redeemed, that interest, if any, accrued to the date fixed for redemption and not paid will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue.

The Authority may provide that, if at the time of mailing of notice of an optional redemption there shall not have been deposited with the Trustee moneys sufficient to redeem all the Series 2017 Bonds called for redemption, such notice may state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business one (1) Business Day prior to the scheduled redemption date, and such notice shall be of no effect unless such moneys are so deposited. In the event sufficient moneys are not on deposit on the required date, then the redemption shall be canceled and on such cancellation date notice shall be mailed to the Holders of such Series 2017 Bonds to be redeemed in the manner provided in this Section.

Failure to give any required notice of redemption as to any particular Series 2017 Bonds will not affect the validity of the call for redemption of any Series 2017 Bonds in respect of which no failure occurs. Any notice sent as provided herein will be conclusively presumed to have been given whether or not actually received by the addressee. When notice of redemption is given, Series 2017 Bonds called for redemption become due and payable on the date fixed for redemption at the applicable redemption price. In the event that funds are deposited with the Trustee sufficient for redemption, interest on the Series 2017 Bonds to be redeemed will cease to accrue on and after the date fixed for redemption.

If any Series 2017 Bonds, at the time of redemption, are not Book-Entry Bonds, then, at the time of the mailing required by the first paragraph of this Section, such redemption notice shall be (a) provided to the Municipal Securities Rulemaking Board through the EMMA System, and (b) given by (i) registered or certified mail, postage prepaid; (ii) telephonically confirmed facsimile transmission; or (iii) overnight delivery service, to:

The Depository Trust Company
55 Water Street, 50th Floor
New York, NY 10041-0099
Attention: Call Notification
Facsimile: (212) 855-7232

Failure to give the notice described in the immediately preceding paragraph or any defect therein shall not in any manner affect the redemption of any Series 2017 Bond.

Section 3.02. Redemption Dates. The date fixed for redemption of Series 2017 Bonds to be redeemed pursuant to any optional redemption provision as set forth in Sections 3.03 hereof shall be a date permitted by the Authority in the notice delivered pursuant to Section 3.01 hereof. The date fixed for mandatory sinking fund redemptions of the Series 2017 Term Bonds will be as set forth in Sections 3.04 hereof.

Section 3.03. Optional Redemption of the Series 2017 Bonds.

(a) The Series 2017A Bonds maturing on or before July 1, 20[__] are not subject to optional redemption prior to maturity. The Series 2017A Bonds maturing on or after July 1, 20[__] are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 20[__] at a redemption price equal to 100% of the principal amount of the Series 2017A Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(b) The Series 2017B Bonds maturing on or before July 1, 20[__] are not subject to optional redemption prior to maturity. The Series 2017B Bonds maturing on or after July 1, 20[__] are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 20[__] at a redemption price equal to 100% of the principal amount of the Series 2017B Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

Section 3.04. Mandatory Sinking Fund Redemption of the Series 2017 Term Bonds.

(a) The Series 2017A Bonds maturing on July 1, 20[__] are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

July 1 of the Year	Principal Amount
	$
*	

*Final Maturity Date

(b) The Series 2017B Bonds maturing on July 1, 20[__] are subject to mandatory sinking fund redemption prior to maturity in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium, on July 1 of the following years and in the following principal amounts:

July 1 of the Year	Principal Amount
	$
*	

*Final Maturity Date

(c) Except as otherwise provided in Section 2.05 hereof, on or before the forty-fifth (45^{th}) day prior to any mandatory sinking fund redemption date, the Trustee shall proceed to select for redemption (by lot in such manner as the Trustee may determine), from the applicable Series 2017 Term Bonds subject to such redemption, an aggregate principal amount of such Series 2017 Term Bonds equal to the amount for such year as set forth in the applicable table above and shall call such Series 2017 Term Bonds or portions thereof (in Authorized Denominations) for redemption and give notice of such call.

(d) At the option of the Authority, to be exercised by delivery of a written certificate to the Trustee on or before the sixtieth (60^{th}) day next preceding any mandatory sinking fund redemption date for the Series 2017 Term Bonds, it may (i) deliver to the Trustee for cancellation Series 2017 Term Bonds or portions thereof (in Authorized Denominations) purchased in the open market or otherwise acquired by the Authority or (ii) specify a principal amount of such Series 2017 Term Bonds or portions thereof (in Authorized Denominations) which prior to said date have been optionally redeemed and previously cancelled by the Trustee at the request of the Authority and not theretofore applied as a credit against any mandatory sinking fund redemption requirement. Each such Series 2017 Term Bond or portion thereof so purchased, acquired or optionally redeemed and delivered to the Trustee for cancellation shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to pay the principal of such Series 2017 Term Bond on such mandatory sinking fund redemption date. In the event the Authority redeems any of the Series 2017 Term Bonds pursuant to Section 3.03 hereof, the Authority will provide the Trustee revised mandatory sinking fund schedules, if applicable.

Section 3.05. Selection of Series 2017 Bonds for Redemption; Series 2017 Bonds Redeemed in Part. The Series 2017 Bonds are subject to redemption in such order of maturity and interest rate within a Series (except mandatory sinking fund payments on the Series 2017 Term Bonds) as the Authority may direct, and by lot within such maturity and interest rate selected in such manner as the Trustee (or DTC, as long as DTC is the securities depository for the Series 2017 Bonds) shall deem appropriate, within a maturity and interest rate.

Upon surrender of a Series 2017 Bond to be redeemed, in part only, the Trustee will authenticate for the Holder a new Series 2017 Bond or Series 2017 Bonds, of the same Series, maturity date and interest rate equal in principal amount to the unredeemed portion of the Series 2017 Bonds surrendered.

Section 3.06. Payment of Series 2017 Bonds Called for Redemption. Upon surrender to the Trustee or the Trustee's agent, Series 2017 Bonds called for redemption shall be paid at the redemption price stated in the notice, plus, when applicable, interest accrued to the date fixed for redemption.

Section 3.07. Effect of Redemption Call. On the date so designated for redemption, notice having been given in the manner and under the conditions provided herein and sufficient moneys for payment of the redemption price being held in trust to pay the redemption price, the Series 2017 Bonds so called for redemption shall become and be due and payable on the redemption date, interest on such Series 2017 Bonds shall cease to accrue from and after such redemption date, such Series 2017 Bonds shall cease to be entitled to any lien, benefit or security under the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture and the Holders of such Series 2017 Bonds shall have no rights in respect thereof except to receive payment of the redemption price.

Series 2017 Bonds which have been duly called for redemption under the provisions of this Article III and for the payment of the redemption price of which moneys shall be held in trust for the Holders of the Series 2017 Bonds to be redeemed, all as provided in this Fifth Supplemental Subordinate Indenture, shall not be deemed to be Outstanding under the provisions of the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture.

ARTICLE IV

ESTABLISHMENT OF FUNDS AND APPLICATION THEREOF

Section 4.01. Establishment of Funds and Accounts. The following funds and accounts are hereby established:

(a) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017A Debt Service Fund (the "***Series 2017A Debt Service Fund***") and therein an Interest Account, [a Capitalized Interest Account,] a Principal Account and a Redemption Account, to be held by the Trustee;

(b) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017A Construction Fund (the "***Series 2017A Construction Fund***"), to be held by the Trustee;

(c) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017B Debt Service Fund (the "***Series 2017B Debt Service Fund***") and therein an Interest Account, [a Capitalized Interest Account,] a Principal Account and a Redemption Account, to be held by the Trustee;

(d) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017B Construction Fund (the "***Series 2017B Construction Fund***"), to be held by the Trustee;

(e) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017 Costs of Issuance Fund (the "***Series 2017 Costs of Issuance Fund***") and therein (i) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017A Costs of Issuance Account (the "***Series 2017A Costs of Issuance Account***") and (ii) the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017B Costs of Issuance Account (the "***Series 2017B Costs of Issuance Account***"), to be held by the Trustee;

(f) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017 Reserve Account (the "***Series 2017 Reserve Account***"), to be held by the Trustee; and

(g) San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017 Rebate Fund (the "***Series 2017 Rebate Fund***"), to be held by the Trustee.

Section 4.02. Application of Series 2017A Bond Proceeds. The proceeds of the sale of the Series 2017A Bonds, being the amount of $[_________] (which sum represents the par amount of the Series 2017A Bonds of $[PARA].00, plus [an original issue premium] in the amount of $[__________], and less an underwriters' discount in the amount of $[__________]) received by the Trustee shall be deposited by the Trustee as follows:

(a) $[__________], representing Capitalized Interest, shall be deposited in the Capitalized Interest Account of the Series 2017A Debt Service Fund to be used to pay interest due and payable on the Series 2017A Bonds on the dates and in the amounts set forth in Section 4.05(b) hereof;

(b) $[__________] shall be deposited into the Series 2017 Reserve Account of the Reserve Fund;

(c) $[__________] shall be deposited into the Series 2017A Costs of Issuance Account to be used to pay the Costs of Issuance of the Series 2017A Bonds;

(d) $[__________] shall be deposited to the Non-AMT Revolving Obligation Redemption Account for the purpose of current refunding the Refunded Non-AMT Revolving Obligations; and

(e) $[__________] shall be deposited into the Series 2017A Construction Fund to be used to pay the Costs of the Series 2017A Project.

Section 4.03. Application of Series 2017B Bond Proceeds. The proceeds of the sale of the Series 2017B Bonds, being the amount of $[_________] (which sum represents the par amount of the Series 2017B Bonds of $[PARB].00, plus [an original issue premium] in the amount of $[__________], and less an underwriters' discount in the amount of $[__________]) received by the Trustee shall be deposited by the Trustee as follows:

(a) $[__________], representing Capitalized Interest, shall be deposited in the Capitalized Interest Account of the Series 2017B Debt Service Fund to be used to pay interest due and payable on the Series 2017B Bonds on the dates and in the amounts set forth in Section 4.07(b) hereof;

(b) $[__________] shall be deposited into the Series 2017 Reserve Account of the Reserve Fund;

(c) $[__________] shall be deposited into the Series 2017B Costs of Issuance Account to be used to pay the Costs of Issuance of the Series 2017B Bonds; and

(d) $[__________] shall be deposited into the Series 2017B Construction Fund to be used to pay the Costs of the Series 2017B Project.

Section 4.04. Series 2017A Construction Fund.

(a) There shall be deposited into the Series 2017A Construction Fund the amounts as provided in Section 4.02(e) hereof and any amounts transferred from the Capitalized Interest Account of the Series 2017A Debt Service Fund representing Capitalized Interest and earnings thereon as described in Section 4.05(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2017A Construction Fund upon receipt from the Authority of a written requisition, in substantially the form attached hereto as Exhibit D-1, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the Series 2017A Construction Fund and is not to be used to pay Costs of Issuance, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, (iv) that the amount to be paid represents a Cost of the Series 2017A Project as described in Exhibit C-1 hereto, and (v) that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the Tax Certificate. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Series 2017A Construction Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments. Earnings on the Series 2017A Construction Fund shall be retained in the Series 2017A Construction Fund.

(d) The completion of the Series 2017A Project shall be evidenced by the filing with the Trustee of a certificate of an Authorized Authority Representative stating either (i) the date of completion of the Series 2017A Project and the amount, if any, required in the opinion of such Authorized Authority Representative for the payment of any remaining part of the Costs of the Series 2017A Project or (ii) that all amounts in the Series 2017A Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2017A Construction Fund following the delivery of such certificate, or upon the determination of the Authority not to proceed with the Series 2017A Project, may, at the determination of the Authority, be applied upon written requisition of an Authorized Authority Representative to any other lawful purpose designated in such requisition. As a condition to the disbursement of funds for a purpose other than the financing of the Series 2017A Project, there shall be delivered to the Trustee with the requisition an opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used and that such use shall not result in the inclusion of interest on any Series 2017A Bonds in gross income of the recipient thereof for federal income tax purposes.

Section 4.05. Series 2017A Debt Service Fund. The Trustee shall make deposits into the Series 2017A Debt Service Fund and use such deposits as follows:

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account (i) the amounts as provided in Section 4.05(b) hereof, (ii) the amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2017A Bonds and, if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2017A Bonds, to pay amounts due and payable to the provider of such agreement at such times as are provided in such interest rate swap agreement, and (iii) if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2017A Bonds, any amounts received by the Authority from the provider of such agreement. The Trustee also shall deposit into the Interest Account any other amounts deposited with the Trustee for deposit in the Interest Account or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2017A Bonds in accordance with their terms and amounts due and payable by the Authority under any interest rate swap agreement entered into by the Authority with respect to all or a portion of the Series 2017A Bonds (other than any swap termination payments and any other amounts payable thereunder which are payable and secured by a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations) at any time in proportion to the amounts due or accrued with respect to each of them.

[Earnings on any Passenger Facility Charges deposited in the Interest Account shall be retained in the Interest Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Interest Account shall be withdrawn by the Trustee and paid to the Authority on the Business Day following an Interest Payment Date for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture, in which event the earnings shall be retained in such account.]

(b) ***Capitalized Interest Account***. The Trustee shall deposit into the Capitalized Interest Account the amounts as provided in Section 4.02(a) hereof. Amounts deposited to the Capitalized Interest Account shall be transferred to the Interest Account on the dates provided for in Section 4.02 of the Master Subordinate Indenture for the payment of interest on the Series 2017A Bonds. The Trustee shall transfer the following amounts from the Capitalized Interest Account to the Interest Account for payment of interest on the Series 2017A Bonds on the following applicable Interest Payment Dates:

Interest Payment Date	**Amount to be Transferred to Interest Account**
	$

Until the Series 2017A Project is completed, earnings on amounts on deposit in the Capitalized Interest Account shall be retained in the Capitalized Interest Account and transferred to the Interest Account to pay interest on the Series 2017A Bonds as provided in the table above. On the completion date of the Series 2017A Project, any amounts remaining on deposit in the Capitalized Interest Account shall be transferred to the Series 2017A Construction Fund.

All amounts held at any time in the Capitalized Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2017A Bonds in accordance with their terms.

(c) ***Principal Account****.* The Trustee shall deposit into the Principal Account amounts received from the Authority as provided in the Master Subordinate Indenture. The Trustee shall also deposit into the Principal Account any other amounts deposited with the Trustee for deposit into the Principal Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Principal Account shall be used by the Trustee to pay the principal of the Series 2017A Bonds whether at maturity [or by mandatory sinking fund redemption as provided in Section 3.04 hereof] on the applicable Payment Dates. [Earnings on Passenger Facility Charges deposited in the Principal Account shall be retained in the Principal Account. On or about July 15 of each Fiscal Year, earnings on the Principal Account (except earnings on Passenger Facility Charges) shall be withdrawn by the Trustee and paid to the Authority for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture, in which event the earnings shall be retained in the Principal Account.]

(d) ***Redemption Account****.* The Trustee shall deposit into the Redemption Account amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay the redemption price of Series 2017A Bonds being redeemed as provided in Section 3.03 hereof. The Trustee shall also deposit into the Redemption Account any other amounts deposited with the Trustee for deposit into the Redemption Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Redemption Account shall be used by the Trustee to pay the redemption price of the Series 2017A Bonds being redeemed as provided in Section 3.03 hereof. Earnings on amounts in the Redemption Account shall be retained in such account or paid to the Authority for deposit into the Revenue Account in accordance with instructions given to the Trustee by an Authorized Authority Representative at the time of such deposit.

The Series 2017A Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.06. Series 2017B Construction Fund.

(a) There shall be deposited into the Series 2017B Construction Fund the amounts as provided in Section 4.03(d) hereof and any amounts transferred from the Capitalized Interest Account of the Series 2017B Debt Service Fund representing Capitalized Interest and earnings thereon as described in Section 4.07(b) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2017B Construction Fund upon receipt from the Authority of a written requisition, in substantially the form attached hereto as Exhibit D-3, executed by an Authorized Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) that such amount is to be paid from the Series 2017B Construction Fund and is not to be used to pay Costs of Issuance, (ii) the number of the requisition, (iii) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, (iv) that the amount to be paid represents a Cost of the Series 2017B Project as described in Exhibit C-2 hereto, and (v) that the amounts requisitioned will be expended only in accordance with and subject to the limitations set forth in the Tax Certificate. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Series 2017B Construction Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments. Earnings on the Series 2017B Construction Fund shall be retained in the Series 2017B Construction Fund.

(d) The completion of the Series 2017B Project shall be evidenced by the filing with the Trustee of a certificate of an Authorized Authority Representative stating either (i) the date of completion of the Series 2017B Project and the amount, if any, required in the opinion of such Authorized Authority Representative for the payment of any remaining part of the Costs of the Series 2017B Project or (ii) that all amounts in the Series 2017B Construction Fund have been disbursed or expenses in respect thereof have been incurred. Any amount remaining in the Series 2017B Construction Fund following the delivery of such certificate, or upon the determination of the Authority not to proceed with the Series 2017B Project, may, at the determination of the Authority, be applied upon written requisition of an Authorized Authority Representative to any other lawful purpose designated in such requisition. As a condition to the disbursement of funds for a purpose other than the financing of the Series 2017B Project, there shall be delivered to the Trustee with the requisition an opinion of Bond Counsel that the purpose for which such funds are to be used is a lawful purpose for which such proceeds may be used and that such use shall not result in the inclusion of interest on any Series 2017B Bonds in gross income of the recipient thereof for federal income tax purposes.

Section 4.07. Series 2017B Debt Service Fund. The Trustee shall make deposits into the Series 2017B Debt Service Fund and use such deposits as follows:

(a) ***Interest Account.*** The Trustee shall deposit into the Interest Account (i) the amounts as provided in Section 4.07(b) hereof, (ii) the amounts received from the Authority, as provided in the Master Subordinate Indenture, to be used to pay interest on the Series 2017B Bonds and, if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2017B Bonds, to pay amounts due and payable to the provider of such agreement at such times as are provided in such interest rate swap agreement, and (iii) if the Authority enters into an interest rate swap agreement with respect to all or a portion of the Series 2017B Bonds, any amounts received by the Authority from the provider of such agreement. The Trustee also shall deposit into the Interest Account any other amounts deposited with the Trustee for deposit in the Interest Account or transferred from other funds and accounts for deposit therein. All amounts held at any time in the Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2017B Bonds in accordance with their terms and amounts due and payable by the Authority under any interest rate swap agreement entered into by the Authority with respect to all or a portion of the Series 2017B Bonds (other than any swap termination payments and any other amounts payable thereunder which are payable and secured by a lien on Subordinate Net Revenues ranking junior and subordinate to the lien of the Subordinate Obligations) at any time in proportion to the amounts due or accrued with respect to each of them.

[Earnings on any Passenger Facility Charges deposited in the Interest Account shall be retained in the Interest Account. Earnings on all other amounts (except earnings on Passenger Facility Charges) in the Interest Account shall be withdrawn by the Trustee and paid to the Authority on the Business Day following an Interest Payment Date for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture, in which event the earnings shall be retained in such account.]

(b) ***Capitalized Interest Account***. The Trustee shall deposit into the Capitalized Interest Account the amounts as provided in Section 4.03(a) hereof. Amounts deposited to the Capitalized Interest Account shall be transferred to the Interest Account on the dates provided for in Section 4.02 of the Master Subordinate Indenture for the payment of interest on the Series 2017B Bonds. The Trustee shall transfer the following amounts from the Capitalized Interest Account to the Interest Account for payment of interest on the Series 2017B Bonds on the following applicable Interest Payment Dates:

Interest Payment Date	**Amount to be Transferred to Interest Account**
	$

Until the Series 2017B Project is completed, earnings on amounts on deposit in the Capitalized Interest Account shall be retained in the Capitalized Interest Account and transferred to the Interest Account to pay interest on the Series 2017B Bonds as provided in the table above. On the completion date of the Series 2017B Project, any amounts remaining on deposit in the Capitalized Interest Account shall be transferred to the Series 2017B Construction Fund.

All amounts held at any time in the Capitalized Interest Account shall be held on a priority basis for the ratable security and payment of interest due on the Series 2017B Bonds in accordance with their terms.

(c) ***Principal Account.*** The Trustee shall deposit into the Principal Account amounts received from the Authority as provided in the Master Subordinate Indenture. The Trustee shall also deposit into the Principal Account any other amounts deposited with the Trustee for deposit into the Principal Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Principal Account shall be used by the Trustee to pay the principal of the Series 2017B Bonds whether at maturity [or by mandatory sinking fund redemption as provided in Section 3.04 hereof] on the applicable Payment Dates. [Earnings on Passenger Facility Charges deposited in the Principal Account shall be retained in the Principal Account. On or about July 15 of each Fiscal Year, earnings on the Principal Account (except earnings on Passenger Facility Charges) shall be withdrawn by the Trustee and paid to the Authority for deposit into the Revenue Account unless an Event of Default exists under the Master Subordinate Indenture, in which event the earnings shall be retained in the Principal Account.]

(d) ***Redemption Account***. The Trustee shall deposit into the Redemption Account amounts received from the Authority as provided in the Master Subordinate Indenture to be used to pay the redemption price of Series 2017B Bonds being redeemed as provided in Section 3.03 hereof. The Trustee shall also deposit into the Redemption Account any other amounts deposited with the Trustee for deposit into the Redemption Account or transferred from other funds and accounts for deposit therein. All amounts deposited to the Redemption Account shall be used by the Trustee to pay the redemption price of the Series 2017B Bonds being redeemed as provided in Section 3.03 hereof. Earnings on amounts in the Redemption Account shall be retained in such account or paid to the Authority for deposit into the Revenue Account in accordance with instructions given to the Trustee by an Authorized Authority Representative at the time of such deposit.

The Series 2017B Debt Service Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

Section 4.08. Series 2017 Costs of Issuance Fund.

(a) There shall, be deposited into the Series 2017 Costs of Issuance Fund the amounts as provided in Sections 4.02(c) and 4.03(c) hereof.

(b) The Trustee shall make payments or disbursements from the Series 2017 Costs of Issuance Fund upon receipt from the Authority of a written requisition in substantially the form attached hereto as Exhibit D-2, executed by an Authorized

Authority Representative, which requisition shall state, with respect to each amount requested thereby, (i) the Account within the Series 2017 Costs of Issuance Fund from which such amount is to be paid, (ii) that such amount is to be paid from such Account of the Series 2017 Costs of Issuance Fund, (iii) the number of the requisition, (iv) the amount to be paid, the name of the entity to which the payment is to be made and the manner in which the payment is to be made, and (v) describe the Costs of Issuance represented by such payment. Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of the facts stated therein.

(c) Moneys held in the Series 2017 Costs of Issuance Fund shall be invested and reinvested as directed by an Authorized Authority Representative in Permitted Investments.

(d) Earnings on the Series 2017A Costs of Issuance Account shall be deposited into the Series 2017A Construction Fund. Any amounts remaining in the Series 2017A Costs of Issuance Account on [_______, 201__] shall be transferred to the Series 2017A Construction Fund and the Series 2017A Costs of Issuance Account shall be closed.

(e) Earnings on the Series 2017B Costs of Issuance Account shall be deposited into the Series 2017B Construction Fund. Any amounts remaining in the Series 2017B Costs of Issuance Account on [_______, 201__] shall be transferred to the Series 2017B Construction Fund and the Series 2017B Costs of Issuance Account shall be closed.

Section 4.09. Series 2017 Reserve Account. In accordance with Section 4.12(a) of the Second Supplemental Subordinate Indenture, the Authority hereby elects to have the Series 2017 Bonds participate in the Reserve Fund. As provided in Sections 4.02(b) and 4.03(b) hereof, at the time of the issuance of the Series 2017 Bonds, a portion of the proceeds of the Series 2017 Bonds shall be deposited into the Series 2017 Reserve Account. The Series 2017 Reserve Account shall be established for purposes of calculating and accounting for the amount of earnings upon the portion of the Reserve Fund allocable to the Series 2017 Bonds for rebate purposes as set forth in the Tax Certificate, but for all other purposes shall be held, invested and used as an integral part of the Reserve Fund as provided in Section 4.12(a) of the Second Supplemental Subordinate Indenture and shall be available to make payments on all of the Series of Subordinate Obligations participating in the Reserve Fund as if no separate Account had been created. In the event a Reserve Fund Insurance Policy is ever issued with respect to the Reserve Fund, the Trustee is hereby directed to credit the Series 2017 Reserve Account with the portion of any Reserve Fund Insurance Policy allocable thereto. In the event amounts in the Reserve Fund exceed the Reserve Requirement, such excess allocable to the Series 2017A Bonds shall be transferred to the Interest Account in the Series 2017A Debt Service Fund and such excess allocable to the Series 2017B Bonds shall be transferred to the Interest Account in the Series 2017B Debt Service Fund.

Section 4.10. Sources of Payment of the Series 2017 Bonds. The Series 2017 Bonds shall be secured by and payable from the Subordinate Net Revenues as provided in the Master

Subordinate Indenture and moneys and other investments held by the Trustee in the Reserve Fund. The Authority may, but is not obligated to, provide for the payment of the principal of and interest on the Series 2017 Bonds from any other source or from any other funds of the Authority.

ARTICLE V

TAX COVENANTS

Section 5.01. Series 2017 Rebate Fund. The Authority hereby agrees that it will execute the Tax Certificate and will, pursuant to this Fifth Supplemental Subordinate Indenture, cause the Series 2017 Rebate Fund to be established, which fund will be funded if so required pursuant to the provisions of the Tax Certificate and amounts in such Series 2017 Rebate Fund shall be held and disbursed in accordance with the Tax Certificate.

Section 5.02. Preservation of Tax Exemption on Series 2017 Bonds.

(a) The Authority shall comply with the covenants and agreements set forth in the Tax Certificate.

(b) The Authority shall not use or permit the use of any proceeds of the Series 2017 Bonds or any other funds of the Authority held by the Trustee under the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture allocable to the Series 2017 Bonds, directly or indirectly, to acquire any securities or obligations, and shall not use or permit the use of any amounts received by the Authority or the Trustee with respect to the Series 2017 Bonds in any manner, and shall not take or permit to be taken any other action or actions, which would cause any Series 2017 Bond to be "federally guaranteed" within the meaning of Section 149(b) of the Code or an "arbitrage bond" within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder and under Section 103(c) of the Code. The Authority shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. In the event the Authority is of the opinion that it is necessary to restrict or limit the yield on the investment of money held by the Trustee or to use such money in certain manners, in order to avoid the Series 2017 Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations thereunder as such may be applicable to the Series 2017 Bonds at such time, the Authority shall issue to the Trustee a certificate to such effect together with appropriate instructions, in which event the Trustee shall take such action as it is directed to take to use such money in accordance with such certificate and instructions, irrespective of whether the Trustee shares such opinion.

(c) The Authority shall at all times do and perform all acts and things permitted by law and this Fifth Supplemental Subordinate Indenture which are necessary or desirable in order to assure that interest paid on the Series 2017 Bonds will not be included in gross income for federal income tax purposes (other than interest paid to holders of the Series 2017B Bonds that are a "substantial user" of the facilities financed or refinanced with the Series 2017B Bonds or a "related person" within the meaning of

Section 147(a) of the Code) and shall take no action that would result in such interest being included in gross income for federal income tax purposes (other than interest paid to holders of the Series 2017B Bonds that are a "substantial user" of the facilities financed or refinanced with the Series 2017B Bonds or a "related person" within the meaning of Section 147(a) of the Code).

ARTICLE VI

MISCELLANEOUS

Section 6.01. Notices.

(a) Any notice, request, direction, designation, consent, acknowledgment, certification, appointment, waiver or other communication required or permitted by this Fifth Supplemental Subordinate Indenture or the Series 2017 Bonds must be in writing except as expressly provided otherwise in this Fifth Supplemental Subordinate Indenture or the Series 2017 Bonds.

(b) Any notice or other communication, unless otherwise specified, shall be sufficiently given and deemed given when mailed by first-class mail, postage prepaid, addressed to the Authority or the Trustee at the addresses provided in the Master Subordinate Indenture or when delivered by hand and received by the Authority or the Trustee at the addresses provided in the Master Subordinate Indenture. Any addressee may designate additional or different addresses for purposes of this Section. In addition to the address set forth in the Master Subordinate Indenture, all notices and communications to be sent to the Trustee shall also be sent to U.S. Bank National Association, 633 West Fifth Street, 24th Floor, Los Angeles, California 90071, Attention: Corporate Trust Services.

Section 6.02. Modification of Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture. The Authority may, from time to time and at any time execute and deliver Supplemental Subordinate Indentures supplementing and/or amending the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture in the manner set forth in Article X of the Master Subordinate Indenture.

Section 6.03. Continuing Disclosure. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Master Subordinate Indenture and this Fifth Supplemental Subordinate Indenture, failure of the Authority to comply with its obligations set forth in the Continuing Disclosure Certificate shall not constitute an Event of Default (as specified in Article VIII of the Master Subordinate Indenture); provided, however, that any participating underwriter for the Series 2017 Bonds or any Holder or Beneficial Owner of the Series 2017 Bonds may take such actions as may be necessary and appropriate to compel performance by the Authority of its obligations under this Section, including seeking mandate or specific performance by court order.

Section 6.04. Parties Interested Herein. Nothing in this Fifth Supplemental Subordinate Indenture expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Authority, the Trustee and the Holders of the Series 2017 Bonds, any right, remedy or claim under or by reason of this Fifth Supplemental Subordinate Indenture or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Fifth Supplemental Subordinate Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee and the Holders of the Series 2017 Bonds.

Section 6.05. Severability. If any provision of this Fifth Supplemental Subordinate Indenture shall be determined to be unenforceable, that shall not affect any other provision of this Fifth Supplemental Subordinate Indenture.

Section 6.06. Payments or Actions Occurring on Non-Business Days. If a payment date is not a Business Day at the place of payment or if any action required hereunder is required on a date that is not a Business Day, then payment may be made at that place on the next Business Day or such action may be taken on the next Business Day with the same effect as if payment were made on the action taken on the stated date, and no interest shall accrue for the intervening period.

Section 6.07. Governing Law. This Fifth Supplemental Subordinate Indenture shall be governed by and construed in accordance with the laws of the State of California.

Section 6.08. Captions. The captions in this Fifth Supplemental Subordinate Indenture are for convenience only and do not define or limit the scope or intent of any provisions or Sections of this Fifth Supplemental Subordinate Indenture.

Section 6.09. Counterparts. This Fifth Supplemental Subordinate Indenture may be signed in several counterparts. Each will be an original, but all of them together constitute the same instrument.

[Remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Fifth Supplemental Subordinate Trust Indenture to be duly executed, all as of the date first above written.

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

By ____
Kimberly J. Becker,
President and CEO

Attest:

By ______________________________
Tony R. Russell,
Director, Corporate & Information Governance/
Authority Clerk

Approved as to form:

By ______________________________
Amy Gonzalez
General Counsel

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By ____
Authorized Representative

[Signature page to Fifth Supplemental
Subordinate Trust Indenture]

EXHIBIT A

FORM OF SERIES 2017 BOND

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bond
Series 2017[A/B]

No. R-[___] Principal Amount: $________________

[UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AS DEFINED IN THE HEREINAFTER DEFINED FIFTH SUPPLEMENTAL SUBORDINATE INDENTURE) TO THE TRUSTEE (AS HEREINAFTER DEFINED) FOR REGISTRATION OF, TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2017[A/B] BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.]

Interest Rate	Maturity Date	Original Dated Date	CUSIP
%	July 1, 20[__]	[_______], 2017	79739G[___]

THIS BOND IS A SPECIAL OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF SUBORDINATE NET REVENUES (AS HEREINAFTER DEFINED) DERIVED BY THE AUTHORITY FROM THE OPERATIONS OF THE AIRPORT SYSTEM (AS HEREINAFTER DEFINED) AND CERTAIN FUNDS AND ACCOUNTS. NONE OF THE PROPERTIES OF THE AIRPORT SYSTEM ARE SUBJECT TO ANY MORTGAGE OR OTHER LIEN FOR THE BENEFIT OF THE OWNERS OF THIS BOND, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE AUTHORITY, THE CITY OF SAN DIEGO, THE COUNTY OF SAN DIEGO, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND.

THIS BOND AND THE INTEREST THEREON IS JUNIOR AND SUBORDINATE IN ALL RESPECTS TO THE SENIOR LIEN REVENUE BONDS AS TO LIEN ON AND SOURCE AND SECURITY FOR PAYMENT FROM THE NET REVENUES.

The San Diego County Regional Airport Authority (the "Authority"), acting pursuant to Section 170000 *et seq*. of the California Public Utilities Code (the "Act") and with exclusive management and control of the Airport System, promises to pay, from the Subordinate Net Revenues, as hereinafter defined in this Bond, to ____________, or registered assigns, the principal sum of ________________ Dollars on the Maturity Date set forth above and to pay interest as provided in this Bond.

Additional provisions of this Bond are set forth on the following pages of this Bond.

All acts, conditions and other matters required to exist, to happen and to be performed, precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law and the Act.

Date of Authentication: __________, 20__

U.S. BANK NATIONAL ASSOCIATION, as Trustee certifies that this is one of the Bonds referred to in the Master Subordinate Indenture and Fifth Supplemental Subordinate Indenture	SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
By ________________________________ Authorized Signatory	By ________________________________ President and CEO
	Attest: By: ________________________________ Director, Corporate Services/ Authority Clerk

1. **Master Subordinate Indenture; Fifth Supplemental Subordinate Indenture.** The Authority has entered into a Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), with U.S. Bank National Association, as successor trustee (the "Trustee"). Such Master Subordinate Indenture provides that the Authority may issue bonds and incur other indebtedness under the terms and conditions set forth in the Master Subordinate Indenture and Supplemental Subordinate Indentures. All bonds and other indebtedness issued thereunder and secured thereby are collectively referred to herein as "Subordinate Obligations." All capitalized terms not defined herein shall have the meanings set forth in the Master Subordinate Indenture and the hereinafter defined Fifth Supplemental Subordinate Indenture.

This Bond is part of a series of Subordinate Obligations of the Authority issued under the Master Subordinate Indenture and the Fifth Supplemental Subordinate Trust Indenture, dated as of [_________] 1, 2017 (the "Fifth Supplemental Subordinate Indenture"), by and between the Authority and the Trustee and authorized by Resolution No. 2017-[_____] adopted by the board of directors of the Authority on [______], 2017. The series of Subordinate Obligations of which this Bond is a part is being issued in the original principal amount of $[PARA/PARB] and designated as San Diego County Regional Airport Authority Subordinate Airport Revenue

Bonds, Series 2017[A/B] (the "Series 2017[A/B] Bonds"). Simultaneously with the issuance of the Series 2017[A/B] Bonds, the Authority is issuing its $[PARA/PARB] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017[A/B] (the "Series 2017[A/B] Bonds," and together with the Series 2017[A/B] Bonds, the "Series 2017 Bonds").

The Series 2017[A/B] Bonds are being issued with a pledge of and lien on Subordinate Net Revenues on a parity with the other Subordinate Obligations issued on a parity with the Series 2017 Bonds under the terms and provisions of the Master Subordinate Indenture.

The terms of the Series 2017[A/B] Bonds include the terms set forth in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture. Holders are referred to the Master Subordinate Indenture, as amended and supplemented from time to time, and the Fifth Supplemental Subordinate Indenture, as amended and supplemented from time to time, for a statement of those terms and for the meanings of any defined terms not defined herein.

2. **Source of Payments.** The Series 2017[A/B] Bonds are, as provided in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture, together with all other Subordinate Obligations, secured by and payable from, the Subordinate Net Revenues, as described below and as defined in the Master Subordinate Indenture. The Master Subordinate Indenture pledges the Subordinate Net Revenues to secure payment of all Subordinate Obligations issued under the Master Subordinate Indenture.

All defined terms used in such description shall have the meaning assigned to them in the Master Subordinate Indenture. The Authority is not required to provide for the payment of the Subordinate Obligations from any other source other than from certain funds and accounts under the Master Subordinate Indenture and the Supplemental Subordinate Indentures in accordance with their terms.

3. **Interest Rate.** This Bond shall bear interest until the Maturity Date at the rate shown on the first page of this Bond. Interest on overdue principal and, to the extent lawful, on overdue interest will be payable at the rate on this Bond on the day before the default occurred.

Interest on this Bond shall be calculated on the basis of a year of 360 days and twelve 30-day months.

4. **Interest Payment and Record Dates.** Interest hereon will be due and payable on [January 1], 2018 and each January 1 and July 1 thereafter and will be paid to the party who is the owner hereof on the Record Date for such payment. The Record Date for a January 1 payment is the preceding December 15, and the Record Date for a July 1 payment is the preceding June 15. If this Bond is not a Book-Entry Bond, as defined in the Fifth Supplemental Subordinate Indenture, interest hereon will be paid by check mailed to the Holder's registered address, and, if this Bond is a Book-Entry Bond, as defined in the Fifth Supplemental Subordinate Indenture, interest will be paid as provided in the Fifth Supplemental Subordinate Indenture. Interest will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money. If any payment of interest on this Bond is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

5. **Payment of Principal.** Payment of principal of this Bond will be paid at maturity upon surrender of this Bond to the Trustee or its agent except that if this Bond is a Book-Entry Bond, the Trustee may make other arrangements for payment of principal. Principal will be paid in lawful money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfer payable in such money. If any payment of principal of this Bond is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

6. **Redemption**. All redemptions will be made at a redemption price of 100% of the principal amount of the Series 2017[A/B] Bonds being redeemed, plus interest accrued since the most recent interest payment date.

(a) ***Optional Redemption***. The Series 2017[A/B] Bonds maturing on or before July 1, 20[__] are not subject to optional redemption prior to maturity. The Series 2017[A/B] Bonds maturing on or after July 1, 20[__] are subject to redemption prior to maturity, at the option of the Authority, from any moneys that may be provided for such purpose, in whole or in part, on any date on or after July 1, 20[__] at a redemption price equal to 100% of the principal amount of the Series 2017[A/B] Bonds to be redeemed plus accrued interest to the date fixed for redemption, without premium.

(b) ***Mandatory Sinking Fund Redemption***. [The Series 2017[A/B] Bonds with a stated Maturity Date of July 1, 20[__] will be subject to mandatory sinking fund redemption in part, by lot, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest thereon, on July 1, 20[__] and each July 1 thereafter, to and including July 1, 20[__] in accordance with the terms of a mandatory sinking fund redemption schedule set forth in the Fifth Supplemental Subordinate Indenture.]

(c) ***Notice of Redemption***. At least thirty (30) days but not more than sixty (60) days before each redemption, the Trustee will give notice sent as provided in the Fifth Supplemental Subordinate Indenture to each owner of a Series 2017 Bond to be redeemed. Failure to give any required notice of redemption will not affect the validity of the call for redemption of any Series 2017 Bond in respect of which no failure occurs. Any notice sent as provided in the Fifth Supplemental Subordinate Indenture will be conclusively presumed to have been given whether or not actually received by the addressee.

(d) ***Effect of Redemption***. When notice of redemption is given, and funds are deposited with the Trustee or an agent of the Trustee sufficient for redemption, interest on the Series 2017 Bonds to be redeemed ceases to accrue as of the redemption date.

7. **Denominations; Transfer; Exchange.** The Series 2017[A/B] Bonds are available in denominations of $5,000 and integral multiples thereof. A Holder may transfer or exchange Series 2017[A/B] Bonds in accordance with the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture. The Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Master Subordinate Indenture. The Trustee need not transfer or exchange any Series 2017[A/B] Bond during the period established by the Registrar for

selection of Series 2017[A/B] Bonds for redemption of any Series 2017[A/B] Bond which has been selected for redemption.

8. **Persons Deemed Owners.** The registered owner of this Bond shall be treated as the owner of it for all purposes.

9. **Unclaimed Money.** If money for the payment of principal or interest remains unclaimed for two years, the Trustee will pay the money to or for the account of the Authority. After that, Holders entitled to the money must look only to the Authority and not to the Trustee for payment.

10. **Discharge Before Maturity.** If the Authority at any time deposits with the Trustee money, Government Obligations or obligations described in item (b) of the definition of Permitted Investments as described in the Master Subordinate Indenture sufficient to pay at maturity principal of and interest on the outstanding Series 2017[A/B] Bonds, and if the Authority also pays all other sums then payable by the Authority under the Master Subordinate Indenture, the Master Subordinate Indenture will be discharged. After discharge, Holders must look only to the deposited money and securities for payment. If the Authority at any time deposits with the Trustee money, Government Obligations or obligations described in item (b) of the definition of Permitted Investments as described in the Master Subordinate Indenture sufficient to pay at maturity, principal of and interest on all or any portion of the outstanding Series 2017[A/B] Bonds, such Series 2017[A/B] Bonds, with respect to which the deposit was made, shall no longer be deemed to be outstanding and shall no longer be secured by the Master Subordinate Indenture except to the extent of the funds set aside therefor.

11. **Amendment, Supplement, Waiver.** The Master Subordinate Indenture, the Fifth Supplemental Subordinate Indenture and the Series 2017[A/B] Bonds may be amended or supplemented, and any past default or compliance with any provision may be waived, as provided in the Master Subordinate Indenture. Any consent given by the owner of this Bond shall bind any subsequent owner of this Bond or any Bond delivered in substitution for this Bond.

12. **Defaults and Remedies.** The Master Subordinate Indenture provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee may exercise the remedies set forth in the Master Subordinate Indenture. Under no circumstances does an Event of Default grant any right to accelerate payment of this Bond. An Event of Default and its consequences may be waived as provided in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture. Holders may not enforce the Master Subordinate Indenture or this Bond except as provided in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture. The Trustee may refuse to enforce the Master Subordinate Indenture or this Bond unless it receives indemnity satisfactory to it. Subject to certain limitations, Holders of a majority of the principal amount of the Series 2017[A/B] Bonds (determined in accordance with the terms of the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture) may direct the Trustee in its exercise of any trust or power.

13. **No Recourse Against Others.** No member, director, officer or employee of the Authority shall have any personal liability for any obligations of the Authority under this Bond, the Master Subordinate Indenture or the Fifth Supplemental Subordinate Indenture or for any claim based on such obligations or their creation or be subject to any personal liability or accountability by reason of the issuance thereof. Each Holder, by accepting this Bond, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of this Bond.

14. **Authentication.** This Bond shall not be valid until the Trustee or an authenticating agent signs the certificate of authentication on the signature page of this Bond.

15. **Abbreviations.** Customary abbreviations may be used in the name of a Holder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), U/G/M/A (= Uniform Gifts to Minors Act) and U/T/M/A (= Uniform Transfers to Minors Act).

[FORM OF ASSIGNMENT]

I or we assign and transfer to

Insert social security or other
identifying number of assignee

[ ]

[ ]

____

____

____

(Print or type name, address and zip code of assignee) this Bond and irrevocably appoint

____

______________________ agent to transfer this Bond on the books of the Authority. The agent may substitute another to act for him.

Dated: ______________________________

Signed ____
(Sign exactly as name appears on the face of this Bond)

Signature guaranteed:

____
(NOTE: Signature(s) guarantee should be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or such other guarantee program acceptable to the Trustee.)

EXHIBIT B

DEBT SERVICE SCHEDULES

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2017A

Date	Principal	Interest	Total
	$	$	$

San Diego County Regional Airport Authority
Subordinate Airport Revenue Bonds
Series 2017B

Date	Principal	Interest	Total
	$	$	$

EXHIBIT C-1

SERIES 2017A PROJECT

EXHIBIT C-2

SERIES 2017B PROJECT

EXHIBIT D-1

FORM OF SERIES 2017A CONSTRUCTION FUND REQUISITION

Requisition No. __________

To: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services

Re: Requisition of Funds from San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017A Construction Fund

The amount requisitioned: $ ______________________________

Payment to be made to: ___________________________________

Manner in which payment is to be made: _____________________

Description of Costs of Series 2017A Project: _________________

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, by and between the San Diego County Regional Airport Authority (the "Authority") and U.S. Bank National Association, as successor trustee, as trustee (the "Trustee"), as supplemented by the Fifth Supplemental Subordinate Trust Indenture, dated as of [_________] 1, 2017 (the "Fifth Supplemental Subordinate Indenture"), by and between the Authority and the Trustee, hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017A Construction Fund held under the Fifth Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents Costs of the Series 2017A Project and does not represent Costs of Issuance associated with the issuance of the Series 2017A Bonds and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated [_________], 2017 and relating to the Series 2017A Bonds. Capitalized terms not otherwise defined herein shall have the applicable meanings in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture.

Dated: __________________.

By ____________________________________
Authorized Authority Representative

EXHIBIT D-2

FORM OF SERIES 2017B CONSTRUCTION FUND REQUISITION

Requisition No. __________

To: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services

Re: Requisition of Funds from San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017B Construction Fund

The amount requisitioned: $ ______________________________

Payment to be made to: ___________________________________

Manner in which payment is to be made: _____________________

Description of Costs of Series 2017B Project: _________________

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, by and between the San Diego County Regional Airport Authority (the "Authority") and U.S. Bank National Association, as successor trustee, as trustee (the "Trustee"), as supplemented by the Fifth Supplemental Subordinate Trust Indenture, dated as of [_________] 1, 2017 (the "Fifth Supplemental Subordinate Indenture"), by and between the Authority and the Trustee, hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017B Construction Fund held under the Fifth Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents Costs of the Series 2017B Project and does not represent Costs of Issuance associated with the issuance of the Series 2017B Bonds and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate, dated [_________], 2017 and relating to the Series 2017B Bonds. Capitalized terms not otherwise defined herein shall have the applicable meanings in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture.

Dated: __________________.

By ____________________________________
Authorized Authority Representative

EXHIBIT D-3

FORM OF SERIES 2017 COSTS OF ISSUANCE FUND REQUISITION

Requisition No. ___

To: U.S. Bank National Association
633 West Fifth Street, 24th Floor
Los Angeles, California 90071
Attention: Corporate Trust Services

Re: Requisition of Funds from San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017 Costs of Issuance Fund

The amount requisitioned: $________________

Payment to be made to: ____________________

Manner in which payment is to be made: __________________

Description of Costs of Issuance: __________________

The undersigned, an Authorized Authority Representative within the meaning of the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended (the "Master Subordinate Indenture"), by and between the San Diego County Regional Airport Authority (the "Authority") and U.S. Bank National Association, as successor trustee (the "Trustee"), as supplemented by the Fifth Supplemental Subordinate Trust Indenture, dated as of [_________] 1, 2017 (the "Fifth Supplemental Subordinate Indenture"), by and between the Authority and the Trustee, hereby requisitions the amount set forth above and directs that such amount be paid to the party set forth above from funds held in **[check one]**

[_____] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017A Costs of Issuance Account

[_____] San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017B Costs of Issuance Account

of the San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds Series 2017 Costs of Issuance Fund held under the Fifth Supplemental Subordinate Indenture and directs that payment be made in the manner described above.

The amount to be paid represents a Cost of Issuance of the Series 2017 Bonds and the amounts requisitioned hereby will be expended only in accordance with and subject to the limitations set forth in the Tax Compliance Certificate dated [________], 2017 and relating to the Series 2017 Bonds. Capitalized terms not otherwise defined herein shall have the applicable meanings in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture.

Dated: ___________________.

By ____
Authorized Authority Representative

RESOLUTION NO. 2017-0066

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF NOT TO EXCEED $400 MILLION IN AGGREGATE PRINCIPAL AMOUNT OF ONE OR MORE SERIES OF SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SUBORDINATE AIRPORT REVENUE BONDS; APPROVING THE FORMS OF A FIFTH SUPPLEMENTAL SUBORDINATE TRUST INDENTURE, PRELIMINARY AND FINAL OFFICIAL STATEMENTS, A PURCHASE CONTRACT, A CONTINUING DISCLOSURE CERTIFICATE, AND CERTAIN RELATED MATTERS

WHEREAS, the San Diego County Regional Airport Authority (“Authority”) is a local government entity of regional government, with jurisdiction extending throughout the County of San Diego (“County”), organized and existing pursuant to the provisions of the Constitution of the State of California (“State”) and §170000 *et seq*. of the California Public Utilities Code (“Act”); and

WHEREAS, the Authority has been formed for the purposes of: (a) operating the Airport System (as defined in the hereinafter defined Master Subordinate Indenture), (b) developing an airport land use compatibility plan or plans for the public use and military airports in the entire County, and (c) serving as the region’s airport land use commission; and

WHEREAS, the Authority assumed exclusive use, management, operation, regulation, policing and control of the Airport System, as set forth in the Act, and other related facilities upon the transfer of such exclusive use, management, operation, regulation, policing and control from the San Diego Unified Port District in January 2003; and

WHEREAS, the Act provides that the Authority shall have the power to issue bonds, from time to time, payable from revenue of any facility or enterprise operated, acquired, or constructed by the Authority, for any of the purposes authorized under the Act in accordance with the Revenue Bond Law of 1941 Chapter 6 (commencing with §54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with §54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and the limitations set forth in California Government Code §54402(b), which shall not apply to the issuance and sale of bonds pursuant to the Act; and

WHEREAS, the Act provides that the Airport System or any or all facilities and all additions and improvements that the board of directors of the Authority

("Board") authorizes to be acquired or constructed and any purpose, operation, facility, system, improvement, or undertaking of the Authority from which revenues are derived or otherwise allocable, which revenues are, or may by resolution or ordinance be, required to be separately accounted for from other revenues of the Authority, shall constitute an enterprise within the meaning of California Government Code §54309; and

WHEREAS, the Authority has determined that it is necessary and advisable to issue, from time to time, Subordinate Obligations (as defined in the Master Subordinate Indenture) for the purposes set forth in the Act and the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended ("Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association, as successor trustee ("Subordinate Trustee"), and that such Subordinate Obligations be payable from and secured by Subordinate Net Revenues (as defined in the Master Subordinate Indenture); and

WHEREAS, the Authority has determined that it is in its best interests to issue Subordinate Obligations in an aggregate principal amount not to exceed $400 million in one or more separate series in accordance with the Master Subordinate Indenture; and

WHEREAS, the Authority has determined that each series of such Subordinate Obligations shall be designated as "San Diego County Regional Airport Authority Subordinate Airport Revenue Bonds, Series 2017 ("Subordinate Series 2017 Bonds"), with each series of Subordinate Series 2017 Bonds being given a separate letter designation as shall be set forth in the hereinafter defined Fifth Supplemental Subordinate Indenture; and

WHEREAS, the proceeds from the sale of the Subordinate Series 2017 Bonds shall be used to provide funds to (a) finance and refinance certain capital improvements at San Diego International Airport ("Airport"), (b) refund all or a portion of the outstanding San Diego County Regional Airport Authority Subordinate Airport Revenue Revolving Obligations ("Subordinate Revolving Obligations"), (c) fund one or more reserve funds for the Subordinate Series 2017 Bonds, (d) pay a portion of the interest accruing on the Subordinate Series 2017 Bonds, and (e) pay the costs of issuance of the Subordinate Series 2017 Bonds; and

WHEREAS, the Subordinate Series 2017 Bonds will be issued pursuant to the Act, certain other provisions of the laws of the State (including California Government Code §53580 *et seq*.), the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture; and

WHEREAS, the Subordinate Series 2017 Bonds will be issued so that the interest paid on the Subordinate Series 2017 Bonds will be excluded from the gross income of the recipients thereof under the varying provisions of the Internal

Revenue Code of 1986, as amended, and the regulations promulgated thereunder or related thereto (collectively, the "Code"); and

WHEREAS, there have been presented to the Board the following documents:

(a) a form of the Fifth Supplemental Subordinate Trust Indenture ("Fifth Supplemental Subordinate Indenture") by and between the Authority and the Subordinate Trustee;

(b) a form of the Purchase Contract ("Purchase Contract") by and between Morgan Stanley & Co. LLC, on its own behalf and on behalf of Jefferies LLC, Backstrom McCarley Berry & Co., LLC, Citigroup Global Markets Inc., RBC Capital Markets, LLC and Siebert Cisneros Shank & Co., L.L.C. (collectively, the "Underwriters") and the Authority with respect to the purchase and sale of the Subordinate Series 2017 Bonds;

(c) a form of the Preliminary Official Statement (including the Financial Feasibility Report, prepared by Unison Consulting, Inc.), to be contained therein as Appendix A) ("Preliminary Official Statement") relating to the Subordinate Series 2017 Bonds; and

(d) a form of the Continuing Disclosure Certificate ("Continuing Disclosure Certificate") by the Authority; and

WHEREAS, said documents will be modified and amended to reflect the various details applicable to the Subordinate Series 2017 Bonds and said documents are subject to completion to reflect the results of the sale of the Subordinate Series 2017 Bonds.

NOW, THEREFORE, BE IT RESOLVED by the Board of the San Diego County Regional Airport Authority that:

Section 1. Issuance of Subordinate Series 2017 Bonds; Terms of Subordinate Series 2017 Bonds. For the purposes set forth in the foregoing recitals, including, among other things, the financing and refinancing of certain capital improvements at the Airport and the refunding of all or a portion of the outstanding Subordinate Revolving Obligations, the Board hereby AUTHORIZES the issuance of the Subordinate Series 2017 Bonds, in one or more series, in a total aggregate principal amount not to exceed $400 million, plus the amount of any original issue premium at which the Subordinate Series 2017 Bonds may be sold. In addition to the above uses of the proceeds of the Subordinate Series 2017 Bonds, the proceeds from the Subordinate Series 2017 Bonds, and any other moneys made available in connection with the issuance of the Subordinate Series 2017 Bonds, may be used to pay a portion of the interest accruing on the Subordinate Series 2017 Bonds, pay the costs of issuance of the Subordinate Series 2017 Bonds, fund one or more reserve funds for the Subordinate Series 2017 Bonds and/or purchase a reserve fund surety policy or policies, and pay for a municipal bond insurance policy or policies, if it is determined by the Vice President, Finance & Asset Management and Treasurer, that bond insurance results in savings to the Authority.

No Subordinate Series 2017 Bonds shall bear interest at a rate in excess of 6.00% *per annum*. The Subordinate Series 2017 Bonds shall bear interest at such rates with respect to the various maturities such that the all-in true interest cost for the Subordinate Series 2017 Bonds does not exceed 5.50% *per annum*. The all-in true interest cost for the Subordinate Series 2017 Bonds shall be that rate which, when used in computing the present worth of all payments of principal and interest to be paid on the Subordinate Series 2017 Bonds (compounded on the first interest payment date, and semiannually thereafter), produces an amount equal to the purchase price of the Subordinate Series 2017 Bonds taking into account any original issue premium/discount, accrued interest, underwriters' fees and any and all costs of issuance of the Subordinate Series 2017 Bonds.

The Subordinate Series 2017 Bonds shall be issued in fully registered form and may be issued as Book-Entry Bonds as provided for in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture. Payment of principal and premium, if any, of, and interest on the Subordinate Series 2017 Bonds shall be made at the place or places and in the manner provided in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture. The Subordinate Series 2017 Bonds shall be issued as current interest bonds and shall be available in denominations of $5,000 and integral multiples thereof. The Subordinate Series 2017 Bonds shall, when issued, be in the aggregate principal amounts and shall be dated as shall be provided in the Master Subordinate Indenture and the final form of the Fifth Supplemental Subordinate Indenture. The Subordinate Series 2017 Bonds may be issued as serial bonds or as term bonds or as both serial bonds and term bonds, all as set forth in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture. Interest on the Series 2017 Bonds shall be paid on the dates set forth in the Fifth Supplemental Subordinate Indenture. No Subordinate Series 2017 Bond shall have a term greater than 35 years from its date of issuance. The Subordinate Series 2017 Bonds shall be subject to redemption at the option of the Authority on such terms and conditions as shall be set forth in the Master Subordinate Indenture, the Fifth Supplemental Subordinate Indenture and the Purchase Contract. The Subordinate Series 2017 Bonds which are term bonds shall also be subject to mandatory sinking fund redemption as shall be set forth in the Master Subordinate Indenture, the Fifth Supplemental Subordinate Indenture and the Purchase Contract.

Section 2. Pledge to Secure the Subordinate Series 2017 Bonds. The pledge to secure the Subordinate Series 2017 Bonds as set forth in the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture is hereby APPROVED.

Section 3. Special Obligations. The Subordinate Series 2017 Bonds shall be special obligations of the Authority, secured by, and payable from, Subordinate Net Revenues and from the funds and accounts held by the Subordinate Trustee and the Authority under the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture, as and to the extent therein described. The Subordinate Series 2017 Bonds shall also be secured by and be paid from such other sources as the Authority may hereafter provide.

Section 4. Forms of Subordinate Series 2017 Bonds. The Subordinate Series 2017 Bonds and the Subordinate Trustee's Certificate of Authentication to appear thereon shall be in substantially the form set forth in Exhibit A to the Fifth Supplemental Subordinate Indenture with necessary or appropriate variations, omissions and insertions as permitted or required by the Master Subordinate Indenture or the Fifth Supplemental Subordinate Indenture or as appropriate to adequately reflect the terms of the Subordinate Series 2017 Bonds and the obligation represented thereby.

Section 5. Execution of the Subordinate Series 2017 Bonds. Each of the Subordinate Series 2017 Bonds shall be executed by the President/CEO of the Authority or any other representative of the Authority designated by the President/CEO of the Authority and attested by the Clerk of the Authority. Any such signatures may be by manual or facsimile signature and the seal of the Authority may be impressed or printed on the Subordinate Series 2017 Bonds. Additionally, each of the Subordinate Series 2017 Bonds shall be authenticated by the signature of the Subordinate Trustee or an agent of the Subordinate Trustee as required and permitted by the Master Subordinate Indenture. Any facsimile signature of the President/CEO of the Authority or the Clerk of the Authority shall be of the same force and effect as if such signature were manually placed on such Subordinate Series 2017 Bonds.

Section 6. Approval of Documents; Authorization for Execution. The form, terms and provisions of the Fifth Supplemental Subordinate Indenture and the Continuing Disclosure Certificate (collectively, the "Documents") are in all respects APPROVED and the President/CEO of the Authority and the Vice President, Finance & Asset Management and Treasurer of the Authority, any one or more thereof (each a "Designated Officer"), are hereby authorized, empowered and directed to execute, acknowledge and deliver each of the Documents including counterparts thereof, in the name and on behalf of the Authority. The Documents, as executed and delivered, shall be in substantially the forms now before this meeting and hereby approved, or with such changes therein (including any changes required by a municipal bond insurer or insurers in order to obtain a municipal bond insurance policy or policies with respect to the Subordinate Series 2017 Bonds or a reserve fund surety policy or policies) as shall be approved by the officer or officers of the Authority executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the forms of the Documents now before this meeting; and from and after the execution and delivery of the Documents, the officers, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Documents.

Section 7. Sale of the Subordinate Series 2017 Bonds. The sale of the Subordinate Series 2017 Bonds is hereby APPROVED through a negotiated sale to the Underwriters. Each Designated Officer, any one of them, is hereby authorized to approve the final terms of the sale of the Subordinate Series 2017 Bonds subject to the terms, conditions and restrictions set forth in this Resolution. The Subordinate Series 2017 Bonds shall be sold with an underwriters' discount as set forth in the Purchase Contract, not to exceed 0.30% of the aggregate principal amount of the Subordinate Series 2017 Bonds, and subject to the terms and conditions set forth in the Purchase Contract. The form, terms and provisions of the Purchase Contract now before this meeting are in all respects hereby APPROVED and each Designated Officer, or any one of them, is hereby authorized and empowered, either alone or in combination, to execute and deliver the Purchase Contract, including counterparts thereof, in the name and on behalf of the Authority. The Purchase Contract, as executed and delivered, shall be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by the officer(s) executing the same; the execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Purchase Contract now before this meeting; and from and after the execution and delivery of the Purchase Contract, the officers, agents and employees of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Purchase Contract.

Section 8. Preliminary Official Statement. The form of the Preliminary Official Statement (including the Financial Feasibility Report, prepared by Unison Consulting, Inc., to be contained therein as Appendix A) now before this meeting is in all respects hereby APPROVED to be used in connection with the sale of the Subordinate Series 2017 Bonds to the public. The Preliminary Official Statement shall be in substantially the form now before this meeting and hereby approved, or with such changes therein as shall be approved by a Designated Officer. The Preliminary Official Statement shall be circulated (via printed format and/or electronic means) for use in selling the Subordinate Series 2017 Bonds at such time or times as a Designated Officer (after consultation with the Authority's financial advisor, bond counsel and disclosure counsel and such other advisors the Authority believes to be useful) shall determine that the Preliminary Official Statement is final within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for the omission of certain information described in (b)(1) of Rule 15c2-12, and any such action previously taken is hereby confirmed, ratified and approved. The Underwriters are hereby AUTHORIZED to distribute (via printed format and/or electronic means) the Preliminary Official Statement, in connection with the sale of the Subordinate Series 2017 Bonds to the public. In connection with the distribution of the Preliminary Official Statement, the Underwriters are hereby further AUTHORIZED to distribute (via printed format and/or through electronic means) copies of the Authority's most recent annual audited financial statements and such other financial statements of the Authority as a Designated Officer, any one or more thereof, shall approve.

Section 9. Official Statement. Prior to the final delivery of the Subordinate Series 2017 Bonds, the Authority shall provide for the preparation, publication, execution and delivery of a final Official Statement (including the Financial Feasibility Report, prepared by Unison Consulting, Inc., to be contained therein as Appendix A) relating to the Subordinate Series 2017 Bonds in substantially the form of the draft Preliminary Official Statement presented to this meeting. Each Designated Officer, or any one of them, are hereby authorized and directed to execute and deliver the final Official Statement in the name of and on behalf of the Authority, and to make any changes or revisions necessary to the Preliminary Official Statement in order for the final Official Statement to meet the requirements of the Authority under the Purchase Contract. The execution thereof shall constitute conclusive evidence of the Board's approval of any and all changes or revisions therein from the form of the Preliminary Official Statement now before this meeting. The final Official Statement shall be circulated (via printed format and/or electronic means) for use in selling the Subordinate Series 2017 Bonds at such time or times as a Designated Officer, or any one or more thereof (after consultation with the Authority's financial advisor, bond counsel and disclosure counsel and such other advisors the Authority believes to be useful) shall determine that the final Official Statement is a "final official statement" within the meaning of Rule 15c2-12. The Underwriters are hereby authorized to distribute (via printed format and/or electronic means) the final Official Statement, in connection with the sale of the Subordinate Series 2017 Bonds to the public. In connection with the distribution of the final Official Statement, the Underwriters are hereby further authorized to distribute (via printed format and/or through electronic means) copies of the Authority's most recent annual audited financial statements and such other financial statements of the Authority as a Designated Officer, any one or more thereof, shall approve.

Section 10. Selection of Underwriters. The Board hereby SELECTS Morgan Stanley & Co. LLC, Jefferies LLC, Backstrom McCarley Berry & Co., LLC, Citigroup Global Markets Inc., RBC Capital Markets, LLC and Siebert Cisneros Shank & Co., L.L.C., as the underwriters for the negotiated sale of the Subordinate Series 2017 Bonds.

The Authority has been informed that Morgan Stanley & Co. LLC, one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co.

LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Subordinate Series 2017 Bonds. The Board hereby AUTHORIZES Morgan Stanley & Co. LLC to distribute Subordinate Series 2017 Bonds to retail investors through Morgan Stanley Smith Barney LLC.

The Authority has been informed that Jefferies LLC, one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into an agreement with E*TRADE Securities LLC ("E*TRADE") for the retail distribution of municipal securities. Pursuant to this agreement, Jefferies LLC will sell Subordinate Series 2017 Bonds to E*TRADE and will share a portion of its selling concession compensation with E*TRADE. The Board hereby AUTHORIZES Jefferies LLC to distribute Subordinate Series 2017 Bonds to retail investors through E*TRADE.

The Authority has been informed that Backstrom McCarley Berry & Co., LLC, one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into separate non-exclusive distribution agreements with TD Ameritrade, Hilltop Securities, UMB, D.A. Davidson & Co., and Wedbush Securities Inc. ("Firms") to augment both its institutional and retail marketing capabilities for the distribution of certain new issue municipal securities underwritten by or allocated to Backstrom McCarley Berry & Co., LLC, which includes the Subordinate Series 2017 Bonds. Pursuant to these distribution agreements, the Firms may purchase Subordinate Series 2017 Bonds from Backstrom McCarley Berry & Co., LLC at the original issue price less a negotiated portion of the selling concession applicable to any Subordinate Series 2017 Bonds that such firm sells, or Backstrom McCarley Berry & Co., LLC may share with the Firms a portion of the fees or commission paid to Backstrom McCarley Berry & Co., LLC applicable to their disclosed transactions. The Board hereby AUTHORIZES Backstrom McCarley Berry & Co., LLC to distribute Subordinate Series 2017 Bonds to retail investors through the Firms.

The Authority has been informed that Citigroup Global Markets Inc., one of the Underwriters of the Subordinate Series 2017 Bonds, has entered into a retail distribution agreement with UBS Financial Services Inc. ("UBSFS"). Under this distribution agreement, Citigroup Global Markets Inc. may distribute municipal securities to retail investors through the financial advisor network of UBSFS. As part of this arrangement, Citigroup Global Markets Inc. may compensate UBSFS for its selling efforts with respect to the Subordinate Series 2017 Bonds. The Board hereby AUTHORIZES Citigroup Global Markets Inc. to distribute Subordinate Series 2017 Bonds to retail investors through UBSFS.

Section 11. Trustees, Paying Agents and Registrars. The Board hereby APPOINTS U.S. Bank National Association, as Subordinate Trustee, and as paying agent for the Subordinate Series 2017 Bonds and appoints U.S. Bank National Association, as registrar for the Subordinate Series 2017 Bonds. Such appointments shall be effective upon the issuance of the Subordinate Series

2017 Bonds and shall remain in effect until the Authority shall, by supplemental indenture or by resolution, name a substitute or successor thereto.

Section 12. California Debt and Investment Advisory Commission and Notices. Each Designated Officer, or any one of them, on behalf of the Authority, is further AUTHORIZED and directed to (a) cause written notice to be provided to the California Debt and Investment Advisory Commission ("Commission") of the proposed sale of the Subordinate Series 2017 Bonds, said notice to be provided in accordance with California Government Code §8855, *et seq*., (b) file or cause to be filed the notice of final sale with the Commission, (c) file or cause to be filed the rebates and notices required under §§54AA, 148(f), 149(e) and 6431 of the Code (and any guidance published thereunder), and (d) file or cause to be filed such additional notices and reports as are deemed necessary or desirable by such Designated Officer in connection with the Subordinate Series 2017 Bonds, and any prior notices are hereby ratified, confirmed and approved.

Section 13. Authorization for Provision for Reserve Funds. A portion of the proceeds of the Subordinate Series 2017 Bonds and such other available moneys of the Authority, may be used to fund one or more reserve funds for the Subordinate Series 2017 Bonds, and/or to pay the costs of a reserve fund surety policy or policies as set forth in the Fifth Supplemental Subordinate Indenture.

Section 14. Additional Authorization. Each Designated Officer and all officers, agents and employees of the Authority, for and on behalf of the Authority, be and they hereby are AUTHORIZED and directed to do any and all things necessary to effect the issuance, execution and delivery of the Subordinate Series 2017 Bonds, the Documents, the Preliminary and final Official Statements and the Purchase Contract and to carry out the terms thereof. All such actions taken by such Designated Officers and such other officers, agents and employees of the Authority, for and on behalf of the Authority, pursuant to the authority of this Resolution, are hereby approved. Each Designated Officer and all other officers, agents and other employees of the Authority are further authorized and directed, for and on behalf of the Authority, to execute all papers, documents, certificates and other instruments that may be required in order to carry out the authority conferred by this Resolution, the Master Subordinate Indenture, the Fifth Supplemental Subordinate Indenture, the Continuing Disclosure Certificate and the Purchase Contract or to evidence the same authority and its exercise. The foregoing authorization includes, but is in no way limited to, authorizing Authority staff to pay costs of issuance of the Subordinate Series 2017 Bonds and the underwriting discount/fee; authorizing the Vice President, Finance & Asset Management and Treasurer of the Authority to direct the investment of the proceeds of the Subordinate Series 2017 Bonds in one or more of the permitted investments provided for under the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture (including, but not limited to, the execution and delivery of one or more investment agreements related thereto); and authorizing the execution by a Designated Officer, any one of them, of one or more tax compliance certificates as required by the Master Subordinate Indenture and the Fifth Supplemental Subordinate Indenture for the purpose of complying with the rebate requirements of the Code, any documents required by The Depository Trust Company in connection with the Book-Entry Bonds (as defined in the Fifth Supplemental Subordinate Indenture), any documents required by the provider of a Reserve Fund Insurance Policy (as defined in the Fifth Supplemental Subordinate Indenture), if any, required to fund one or more reserve funds for the Subordinate Series 2017 Bonds and any documents required to obtain bond insurance for all or a portion of the Subordinate Series 2017 Bonds to the extent such bond insurance shall result in cost savings to the Authority.

Section 15. Reporting of Continuing Disclosure Filings. The Vice President, Finance & Asset Management and Treasurer of the Authority, or such other officer or employee of the Authority as designated by the Vice President, Finance & Asset Management and Treasurer of the Authority, shall provide notice to the Board when (a) the Annual Report (as defined in the Continuing Disclosure Certificate) is filed with the Municipal Securities Rulemaking Board (the “MSRB”) as required by the provisions of the Continuing Disclosure Certificate and (b) any notice of a Listed Event (as defined in the Continuing Disclosure Certificate) is filed with the MSRB as required by the provisions of the Continuing Disclosure Certificate.

Section 16. Severability. The provisions of this Resolution are hereby declared to be severable and, if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 17. Governing Law. This resolution shall be construed and governed in accordance with the laws of the State of California.

Section 18. Repeal of Inconsistent Resolutions. All other resolutions of the Board, or parts of resolutions, inconsistent with this Resolution, are hereby repealed to the extent of such inconsistency.

Section 19. Effective Date of Resolution. This Resolution shall take effect from and after its passage and approval.

Section 20. BE IT FURTHER RESOLVED, that this Board FINDS that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017 by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

____

AMY GONZALEZ
GENERAL COUNSEL

RESOLUTION NO. 2017-0067

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING AN IRREVOCABLE COMMITMENT OF CERTAIN PASSENGER FACILITY CHARGES FOR THE PAYMENT OF DEBT SERVICE ON THE AUTHORITY'S SENIOR AND SUBORDINATE OBLIGATIONS AND CERTAIN RELATED MATTERS

WHEREAS, the San Diego County Regional Airport Authority ("Authority") is a local government entity of regional government, with jurisdiction extending throughout the County of San Diego ("County"), organized and existing pursuant to the provisions of the Constitution of the State of California ("State") and §170000 *et seq*. of the California Public Utilities Code ("Act"); and

WHEREAS, the Authority has been formed for the purposes of: (a) operating the Airport System (as defined in the hereinafter defined Master Subordinate Indenture), (b) developing an airport land use compatibility plan or plans for the public use and military airports in the entire County, and (c) serving as the region's airport land use commission; and

WHEREAS, the Authority assumed exclusive use, management, operation, regulation, policing and control of the Airport System, as set forth in the Act, and other related facilities upon the transfer of such exclusive use, management, operation, regulation, policing and control from the San Diego Unified Port District in January 2003; and

WHEREAS, the Aviation Safety and Capacity Expansion Act of 1990, as amended ("PFC Act") permits public agencies (including the Authority) controlling certain commercial service airports (those with regularly scheduled service and enplaning 2,500 or more passengers annually) to charge enplaning passengers using the airport a $1.00, $2.00 or $3.00 passenger facility charge ("PFC") with certain qualifying airports allowed to charge a maximum PFC of $4.50; and

WHEREAS, the Authority has applied and received approval from the Federal Aviation Administration ("FAA"), pursuant to ten separate applications (five of which were later amended by the Authority, with such amendments being approved by the FAA), to collect, and use, a PFC on each enplaning revenue passenger at the San Diego International Airport ("Airport") totaling approximately $1.549 billion; and

WHEREAS, such PFCs, including any investment earnings thereon, are required to be used to pay for the costs of the construction or financing of certain projects at the Airport; and

WHEREAS, the Act provides that the Authority shall have the power to issue bonds, from time to time, payable from revenue of any facility or enterprise operated, acquired, or constructed by the Authority, for any of the purposes authorized under the Act in accordance with the Revenue Bond Law of 1941 Chapter 6 (commencing with §54300) of Part 1 of Division 2 of Title 5 of the California Government Code, excluding Article 3 (commencing with §54380) of Chapter 6 of Part 1 of Division 2 of Title 5 of the California Government Code and the limitations set forth in California Government Code §54402(b), which shall not apply to the issuance and sale of bonds pursuant to the Act; and

WHEREAS, the Act provides that the Airport System or any or all facilities and all additions and improvements that the board of directors of the Authority ("Board") authorizes to be acquired or constructed and any purpose, operation, facility, system, improvement, or undertaking of the Authority from which revenues are derived or otherwise allocable, which revenues are, or may by resolution or ordinance be, required to be separately accounted for from other revenues of the Authority, shall constitute an enterprise within the meaning of California Government Code §54309; and

WHEREAS, the Authority has determined that it is necessary and advisable to issue, from time to time, Bonds (as defined in the Master Senior Indenture and referred to herein as "Senior Bonds") for the purposes set forth in the Act and the Master Trust Indenture, dated as of November 1, 2005, as amended ("Master Senior Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as trustee ("Senior Trustee"), and that such Senior Bonds be payable from and secured by Net Revenues (as defined in the Master Senior Indenture); and

WHEREAS, the Authority has determined that it is necessary and advisable to issue, from time to time, Subordinate Obligations (as defined in the hereinafter defined Master Subordinate Indenture) for the purposes set forth in the Act and the Master Subordinate Trust Indenture, dated as of September 1, 2007, as amended ("Master Subordinate Indenture"), by and between the Authority and U.S. Bank National Association, as successor trustee ("Subordinate Trustee") and that such Subordinate Obligations be payable from and secured by Subordinate Net Revenues (as defined in the Subordinate Indenture); and

WHEREAS, pursuant to the terms of the Master Senior Indenture, PFCs, including any investment earnings thereon and net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such PFCs (collectively "Passenger Facilities Charges"), are specifically excluded from "Revenues," unless designated as "Revenues" under the terms of a Supplemental Indenture (as defined in the Master Senior Indenture) or pursuant to a certificate of an Authorized Authority Representative (as defined in the Master Senior Indenture); and

WHEREAS, the Authority, to date, has not designated Passenger Facility Charges to be specifically included in “Revenues,” and therefore Passenger Facility Charges are not pledged to the payment of the Senior Bonds or the Subordinate Obligations; and

WHEREAS, pursuant to the Master Senior Indenture and the Master Subordinate Indenture, when calculating Aggregate Annual Debt Service (as defined in the Master Senior Indenture and the Master Subordinate Indenture) for purposes of the additional bonds tests and the rate maintenance covenants, as set forth in the Master Senior Indenture and the Master Subordinate Indenture, the Authority may disregard any principal and/or interest due on the Senior Bonds and/or the Subordinate Obligations, as the case may be, that is paid or is to be paid from Passenger Facility Charges that have been irrevocably committed or are held by the Senior Trustee and/or the Subordinate Trustee, as the case may be, or another fiduciary and are to be set aside exclusively to be used to pay principal and/or interest due on the Senior Bonds and/or the Subordinate Obligations, as the case may be; and

WHEREAS, the Board adopted Resolution No. 2010-0088 on August 23, 2010 (“Resolution No. 2010-0088”), pursuant to which, the Board authorized and directed, among other things, the establishment of the PFC Account in the Revenue Fund and the PFC Debt Service Subaccount and the PFC Project Subaccount in the PFC Account, and irrevocably committed a certain amount of Passenger Facility Charges through July 1, 2016 to the payment of principal and/or interest due on PFC Bonds (as such term is defined in Resolution No. 2010-0088); and

WHEREAS, the Board has determined that it is in the best interests of the Authority to again irrevocable commit certain Passenger Facility Charges to the payment of principal and/or interest due on PFC Bonds; and

WHEREAS, the Board has determined that it is in the best interest of the Authority to irrevocably commit $10 million of Passenger Facility Charges to the payment of principal and/or interest due on PFC Bonds through July 1, 2018.

NOW, THEREFORE, BE IT RESOLVED by the Board of the San Diego County Regional Airport Authority that:

Section 1. Irrevocable Commitment of Passenger Facility Charges; Payment of Debt Service with Passenger Facility Charges. The Board hereby irrevocably COMMITS $10 million of Passenger Facility Charges in the year ending July 1, 2018 to the payment of principal and/or interest due on PFC Bonds.

Notwithstanding anything herein to the contrary, after July 1, 2018, all Passenger Facility Charges shall be applied to any lawful purpose relating to the Airport System as permitted by the PFC Acts and as any Authorized Authority Representative may from time to time determine, including the payment of principal and/or interest due on PFC Bonds.

Section 2. Affirmation of Resolution No. 2010-0088. Except for Section 2 therein, the Board hereby affirms the terms and provisions of Resolution No. 2010-0088 and such Resolution No. 2010-0088 shall continue to be in full force and effect.

Section 3. Amendments to Resolution. The Board shall only amend, supplement, modify or terminate this Resolution if such amendment, supplement, modification or termination will not materially adversely affect the interests of the holders of the Senior Bonds and the Subordinate Obligations or result in any material impairment of the security hereby given for the payment of the Senior Bonds and the Subordinate Obligations; otherwise, any such amendment, supplement, modification or termination shall require the written consents of the holders of a majority in principal amount of the Senior Bonds and the Subordinate Obligations.

Section 4. Severability. The provisions of this Resolution are hereby declared to be severable and, if any section, phrase or provisions shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases and provisions hereof.

Section 5. Governing Law. This resolution shall be construed and governed in accordance with the laws of the State of California.

Section 6. Repeal of Inconsistent Resolutions. All other resolutions of the Board, or parts of resolutions, inconsistent with this Resolution, are hereby repealed to the extent of such inconsistency.

Section 7. Effective Date of Resolution. This Resolution shall take effect from and after its passage and approval.

Section 8. Contract. This Resolution shall constitute a contract between the Authority and the holders of the Senior Bonds and the Subordinate Obligations.

Section 9. BE IT FURTHER RESOLVED, that this Board FINDS that this action is not a “project” as defined by the California Environmental Quality Act (“CEQA”) (California Public Resources Code §21065); and is not a “development” as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017 by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

____
TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION
GOVERNANCE/AUTHORITY CLERK

APPROVED AS TO FORM:

____
AMY GONZALEZ
GENERAL COUNSEL

RESOLUTION NO. 2017-0068

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHROITY AUTHORIZING THE ESTABLISHMENT OF A METHOD FOR THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY TO MAKE DECLARATIONS OF OFFICIAL INTENT IN ORDER TO PERMIT THE AUTHORITY TO REIMBURSE ITSELF AND OTHER PARTIES FOR CAPITAL EXPENDITURES WITH PROCEEDS OF FUTURE TAXABLE OR TAX-EXEMPT BORROWINGS IN ACCORDANCE WITH INTERNAL REVENUE SERVICE REIMBURSEMENT REGULATIONS

WHEREAS, the San Diego County Regional Airport Authority ("Authority") is authorized to issue revenue and special facility revenue bonds for airport purposes; and

WHEREAS, the Internal Revenue Service has issued Treasury Regulation Section 1.150-2, the final regulations with respect to the use of proceeds of tax-exempt bonds for reimbursement purposes ("Reimbursement Regulations"); and

WHEREAS, in order to comply with the Reimbursement Regulations, the board of directors of the Authority ("Board") finds it to be advantageous to establish a method whereby the Authority can document reimbursement for capital expenditures with proceeds of future taxable and/or tax-exempt borrowings (the "Reimbursement Method"); and

WHEREAS, the Board previously adopted a similar method pursuant to Resolution No. 2005-0104 (adopted on September 8, 2005), and this resolution and the Reimbursement Method set forth herein shall apply on and after the date of adoption of this resolution; and

WHEREAS, the Board recognizes that the establishment of such Reimbursement Method, and any related authorization hereunder, does not alter the current Board procedure whereby the Board must approve any Authority expenditures totaling $100,000 or more, nor does it allow or enable Authority staff to issue or incur a debt obligation without prior Board approval.

NOW, THEREFORE, BE IT RESOLVED by the Board of the San Diego County Regional Airport Authority that:

Section 1. Declaration of Official Intent. The Board hereby designates the President/CEO of the Authority, and the Vice President, Finance & Asset Management and Treasurer of the Authority (the "Vice President – Finance"), to act on behalf of the Authority in declaring the Authority's official intent from time to time to reimburse capital expenditures of the Authority and other parties with proceeds of future taxable or tax-exempt borrowings. The declaration of official intent shall be substantially in the form set forth in Exhibit A attached hereto and shall (a) state that the Authority reasonably expects to reimburse the capital expenditures from proceeds of a future taxable or tax-exempt borrowing within eighteen (18) months of the date of the expenditures of moneys on the capital expenditures or on the date upon which the project, if any, containing the capital expenditures is placed in service or abandoned, whichever is later (but in no event more than three (3) years after the date of the original expenditure of such moneys); (b) be made not later than sixty (60) days after the date of the payment of the capital expenditure; (c) contain a general functional description of the property to which the reimbursement relates; and (d) indicate the maximum principal amount of debt expected to be issued for such reimbursement. Each such declaration of official intent shall be noted prior to or within sixty (60) days of the expenditure of any moneys on such capital expenditure (or such later time as may be permitted by the Reimbursement Regulations) by the President/CEO or the Vice President–Finance, who are each hereby authorized and directed to maintain or cause to be maintained a record of all declarations of official intent, the capital expenditures to be covered by such declaration and the allocations of borrowing proceeds to reimbursement for such capital expenditures. The President/CEO and the Vice President-Finance, in consultation with the Authority's general counsel and bond counsel, are each further authorized and directed to take all necessary and desired actions to implement this procedure for declaration of official intent. The President/CEO's and the Vice President-Finance's authority under this Resolution is limited to the terms herein, and any action involving future bond issuances must be authorized and approved by the Board by resolution in connection therewith.

Section 2. Confirmation of Prior Acts. All prior acts and doings of the officials, agents and employees of the Authority which are in conformity with the purpose and intent of this resolution and in furtherance of such purposes and intent, shall be and the same hereby are in all respects ratified, approved and confirmed.

Section 3. Governing Law. This resolution shall be construed and governed in accordance with the laws of the State of California.

Section 4. Repeal of Inconsistent Resolutions. All other resolutions of the Board, or parts of resolutions, inconsistent with this resolution, are hereby repealed to the extent of such inconsistency.

Section 5. Effective Date of Resolution. This resolution shall take effect from and after its passage and approval.

Section 6. BE IT FURTHER RESOLVED by the Board, that it FINDS that this action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES:	Board Members:
NOES:	Board Members:
ABSENT:	Board Members:
ABSTENTION:	Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE & INFORMATION
GOVERNANCE/AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

EXHIBIT A

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
REIMBURSEMENT ENTRY

The following is an official intent of the San Diego County Regional Airport Authority (the "Authority") pursuant to Treasury Regulation Section 1.150-2 (the "Reimbursement Regulations") and Resolution No. 2017-[____] of the Authority adopted by the Board of the Authority on July 6, 2017 (the "Resolution"). Pursuant to the Reimbursement Regulations and the Resolution, the Authority reasonably expects to reimburse itself or other parties for the following capital expenditures with proceeds of a future taxable or tax-exempt borrowing within eighteen (18) months of the date of the expenditure of moneys on the capital expenditure or on the date upon which the project, if any, containing the capital expenditure is placed in service or abandoned, whichever is later (but in no event more than three (3) years after the date of the original expenditure of such moneys).

Reimbursement Number: ________________	Date of Initial Expenditure: _______________

Functional Description of the Property to which the Reimbursement relates:

Total amount to be reimbursed: $__________

____

____

____

____
[President/CEO]
[Vice President, Finance & Asset Management and Treasurer]
San Diego County Regional Airport Authority

Date of this Reimbursement Entry: _____________________

Item 16

SAN DIEGO
INTERNATIONAL AIRPORT
LET'S GO.

San Diego County Regional Airport Authority

Subordinate Airport Revenue Bonds Series 2017A (Non-AMT)
Subordinate Airport Revenue Bonds Series 2017B (AMT)

Authority Board
July 6, 2017

Presented by:
John Dillon
Director, Business & Financial Management

Introduction

In July 2017, the Authority plans to sell subordinate lien General Airport Revenue Bonds (GARBs) to fund the Parking Plaza, FIS and certain other projects and to refund a portion of the outstanding subordinate Revolving obligations .

Staff is seeking Board Approval to issue up to $400 million of Subordinate GARB Bonds, irrevocably commit $10 million of PFC’s in FY 2018 to debt service and adopt a reimbursement resolution.

SAN DIEGO INTERNATIONAL AIRPORT. LET’S GO.

Debt Profile**

(as at July 2, 2017)

Series	Lien	Par ($M)	Term	Coupons	Tax Status
Outstanding Debt					
2010A	Subordinate	285.645	2014-2040	4.00-5.00%	Non-AMT
2010B	Subordinate	35.985	2013-2040	3.00-5.00%	Non-AMT
2010C	Subordinate	215.360	2031-2040	6.628%*	TX BABs
2013A	Senior	101.600	2015-2043	3.00-5.00%	Non-AMT
2013B	Senior	271.710	2015-2043	3.00-5.00%	AMT
Revolving Obligations	Subordinate	58.998	2017-2030	Variable***	AMT/Non-AMT & Taxable
Total		**$969.298**			

* 4.47% net of the federal BABs subsidy adjusted for Sequestration

** 2014 Special Facility Bonds not listed

*** Currently approximately 1.23% for AMT/Non-AMT & 1.68% for taxable

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Plan of Finance

- **The 2017 Bonds will fund the following projects:**

2017A Project Description	Total ($ M)
Parking Plaza	$127.0
Rehabilitate Cross Taxiways (B - C)	12.2
Rehabilitate North Side Vehicle Service Road & Storm Drain Improvements	12.2
Relocate Taxiway B (Object Free Area)	7.6
Observation Area at Palm Street	3.0
Total	**$162.0**
2017 B Project Description	**Total**
T2W FIS Build-Out	$149.0
HVAC Modernization	10.0
Total	**$159.0**
Total	**$321.0**

SAN DIEGO INTERNATIONAL AIRPORT.
LET'S GO.

Plan of Finance

Sources of Funds:*	
Series 2017 Bonds	$313.8
Premium	32.9
Total Sources	**$346.7**
Uses of Funds:*	
Project Fund Deposit	289.0
Repayment of Subordinate Revolving Obligations	32.0
Debt Service Reserve Fund Deposit	20.3
Capitalized Interest Fund Deposit	2.1
Costs of Issuance	3.3
Total Uses	**$346.7**

*Preliminary; $'s in millions

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Projected Debt Profile**

Series	Lien	Par ($M)	Term	Coupons	Tax Status
Outstanding Debt					
2010A	Subordinate	$285.645	2014-2040	4.00-5.00%	Non-AMT
2010B	Subordinate	35.985	2013-2040	3.00-5.00%	Non-AMT
2010C	Subordinate	215.360	2031-2040	6.628%*	TX BABs
2013A	Subordinate	101.600	2015-2043	3.00-5.00%	Non-AMT
2013B	Subordinate	271.710	2015-2043	3.00-5.00%	AMT
Revolving Obligations	Subordinate	26.448	2017-2030	Variable***	Non-AMT & Tax
Estimated July Issuance					
2017A	Subordinate	$157.030	2018-2047	3.00-5.00%	Non-AMT
2017B	Subordinate	156.850	2018-2047	3.00-5.00%	AMT
Total after Issuance		**$1,250.628**			

After the 2017 GARB issue, SAN will have approximately $120 of debt/EPAX

* 4.47% net of the federal BABs subsidy adjusted for Sequestration

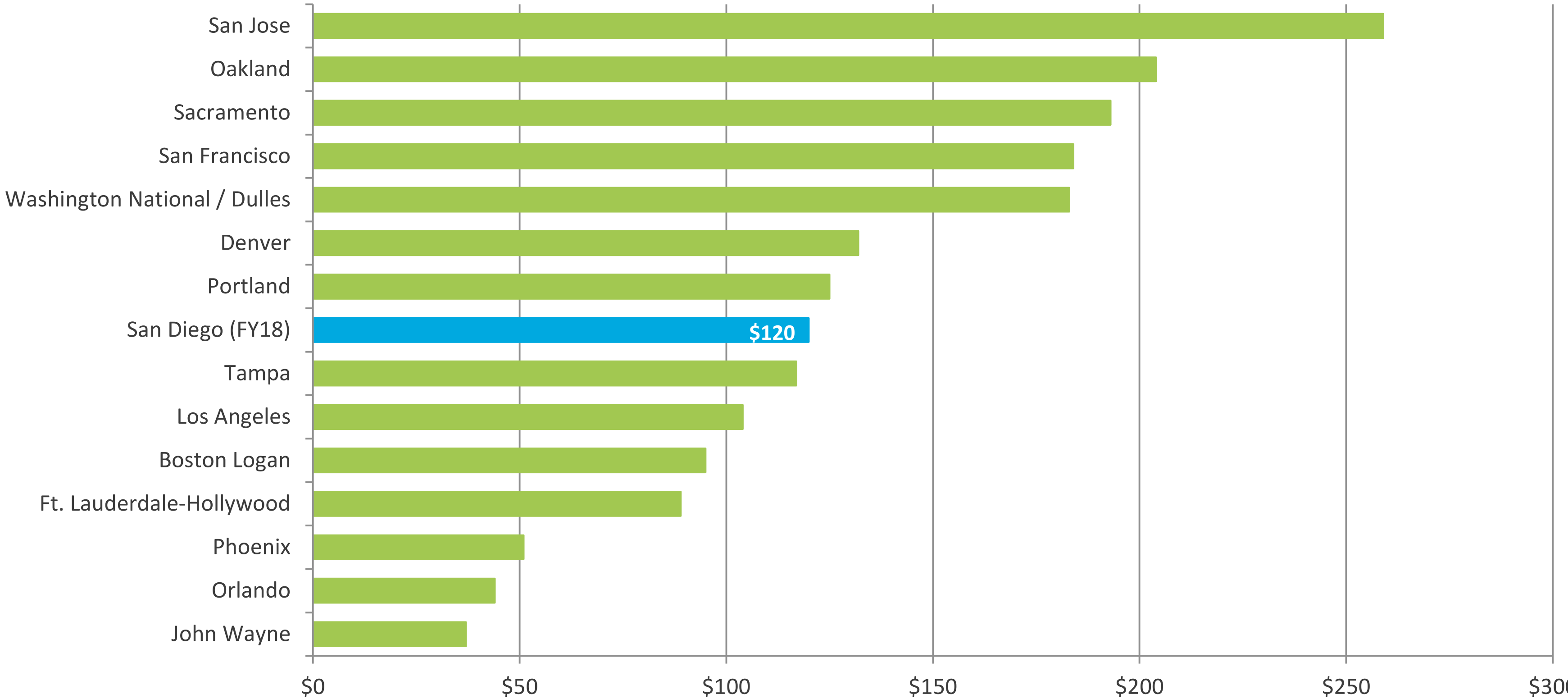
** 2014 Special Facility Bonds not listed

*** Currently approximately 1.23% for AMT/Non-AMT & 1.68% for taxable

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Airport Debt Per Enplanement

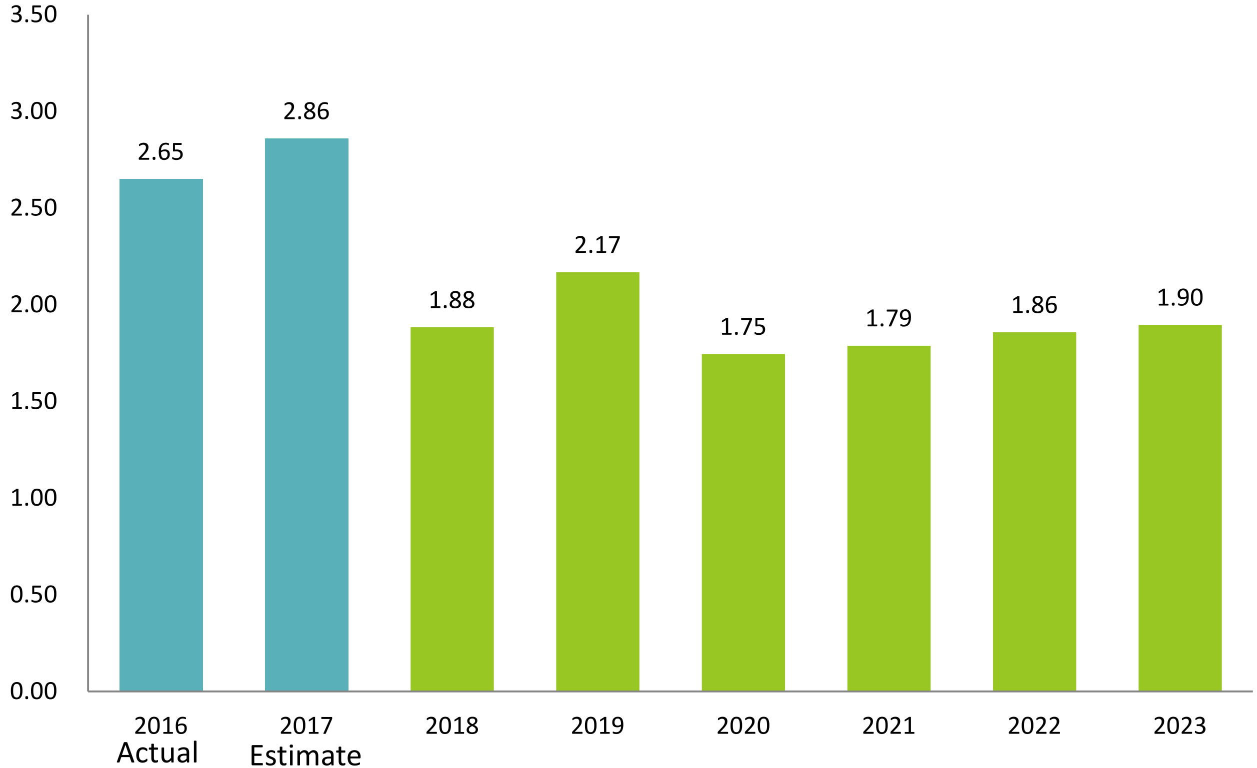
by Select Airports



SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Source: Moody's Investor Service, MFRA Database, as of April 2017. Peer Airports data as of FY 2015.

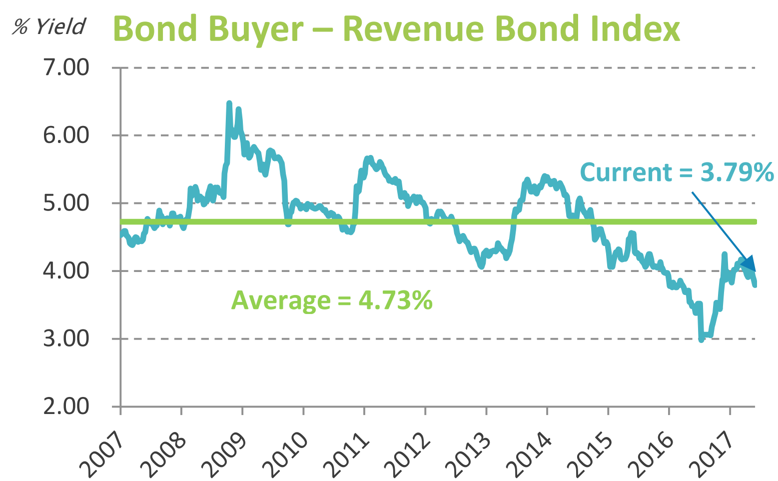
Historic and Projected Debt Service Coverage

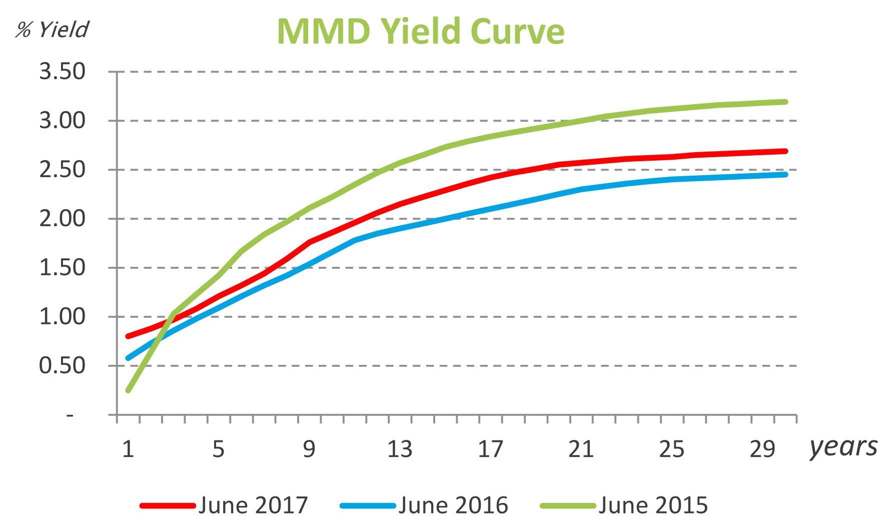


SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Favorable Current Market Conditions

- Long term borrowing rates are well below 10-year averages
- The yield curve has flattened slightly as interest rates at the short end of the curve have increased





Principal Documents of the GARB Sale

DOCUMENT	PURPOSE OF DOCUMENT
Resolutions	Authorizes the issuance of the Series 2017 GARBs, approves the bond financing documents, irrevocably commits $10 million of PFCs to debt service in FY 18 and approves the reimbursement resolution
Supplemental Indenture	Supplements the Master Subordinate Indenture[1] by presenting the specific terms and features of the Series 2017 GARBs
Feasibility Report	Provides an independent forecast of traffic, revenues and expenses, and determines the sufficiency of net revenues to repay the GARBs

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

[1] This Master Subordinate Indenture is the financing document that sets forth the general terms of the Authority's pledge of Subordinate Net Revenues and provides for the terms and conditions upon which subordinate lien airport revenue obligations may be issued by the Authority

Principal Documents of the GARB Sale

DOCUMENT	PURPOSE OF DOCUMENT
Official Statement (Preliminary & Final)	Discloses to investors information about the GARBs, the projects being financed with GARB proceeds and the Authority's activities and financial condition
Bond Purchase Contract	Commits the Underwriters to purchase the bonds from the Authority, and the Authority to sell the bonds to the Underwriters at the publicly offered prices
Continuing Disclosure Certificate	Sets forth the Authority's obligation to provide updated financial and operational information and notices of certain material events (as and if they occur) annually to securities information repositories

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

The Authority's Team

ROLE	FIRM	PRINCIPAL TASKS
Bond/ Disclosure Counsel	***Kutak Rock***	• **Prepares Indentures and Resolutions, and provides Validity and Tax Opinions** • **Prepares Official Statement and provides 10(b)5 ("no material omission") opinion**
Financial Advisor	***Frasca & Associates***	• **Provides financial analysis, prepares Rating Agency materials, negotiates with Underwriters**
Feasibility Consultant	***Unison Consulting***	• **Prepares Report appended to the Official Statement that forecasts traffic and projects net revenues over the next five years in order to satisfy the "Additional Bonds Test" and the "Rate Covenant"**

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

The Authority's Team

ROLE	FIRM	PRINCIPAL TASKS
Underwriters	*Morgan Stanley (Senior Manager)* *Jefferies (Co-Senior)* *Backstrom McCarley Berry & Co., LLC* *Citigroup* *RBC Capital Markets* *Siebert Cisneros Shank & Co*	• Price and distribute Bonds to investors
Underwriters' Counsel	*Stradling Yocca Carlson & Rauth*	• Prepares Bond Purchase Contract and documents related to the underwriters
Trustee Bank	*US Bank*	• Holds funds that are pledged to Subordinate Bondholders and takes action on their behalf

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Preliminary Timeline

DATE	EVENT	RESPONSIBLE PARTY
7/6/17	Board Meeting to Approve Transaction	Authority Board
7/7/17	Due Diligence Meeting/Call	Authority Staff, Underwriters' Counsel, Underwriters, Bond Counsel
7/10/17	Receive Ratings & Post POS	Authority, Financial Advisor
7/10-Pricing	Marketing Period	Underwriters
w/o 7/17/17	Price Bonds	Underwriters
w/o 8/3/17	Closing & Delivery	Entire Team

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Staff's Request of the Finance Committee

- Adopt Resolution No. 2017-XXXX, (1) Authorizing the issuance and sale of not-to-exceed $400 million in aggregate principal amount of one or more series of San Diego County Regional Airport Authority (the "Authority") Subordinate Airport Revenue Bonds and (2) Approving the forms of a Fifth Supplemental Subordinate Trust Indenture, Preliminary and Final Official Statements, a Bond Purchase Contract and a Continuing Disclosure Certificate, and certain related matters
- Adopt Resolution 2017-XXXX Authorizing the $10 million irrevocable commitment of PFCs in FY 2018 to the payment of debt service on the Authority's Senior and Subordinate Bonds
- Adopt Resolution 2017-XXXX Authorizing the establishment of a method for the Authority to make declarations of official intent in order to permit the Authority to reimburse itself and other parties for capital expenditures with proceeds of future taxable or tax exempt borrowings in accordance with internal revenue service reimbursement regulations.

SAN DIEGO INTERNATIONAL AIRPORT. LET'S GO.

Questions?

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
17

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Discussion and Possible Action Regarding Street Pricing Requirement Contained in Concession Agreements

Recommendation:

Provide direction to staff.

Background/Justification:

The current airport concession program is a result of an extensive effort by the Authority to solicit and implement first-class food, beverage and retail venues within the terminal buildings. In 2009 staff met with the Board and reviewed goals, objectives and the business strategy for a new program to replace the single concession operator, HMS Host. The HMS Host exclusive contract for the entire Airport concession program was scheduled to expire in December 2012. Staff returned to the Board in November 2010 and January 2011 to provide status updates and receive direction regarding community outreach efforts, venue packaging guidelines, concession locations and pricing policy guidance.

Given the Airport's terminal building square footage constraints, the Authority is unable to support implementation of concession venues Airport-wide that fully meets market demand and creates a free unencumbered marketplace. At the time the current program was being implemented, there was concern as to the pricing that would be allowed to be charged by the limited concessionaires selected to fill the available venues. The Board endorsed the concept of Street Pricing +10% to ensure prices remain in line with what consumers pay outside the airport, effectively creating the existing provision within the food, beverage and retail concession leases:

> Section 8.03 Pricing
>
> A. Concessionaire further understands Authority's objective to achieve and maintain pricing equivalent to comparable off-Airport food service and retail prices ("Street Pricing") of all merchandise, services, and products sold to the public at the Airport. "Street Pricing" for the purposes of this Lease means that the prices charged at the Airport cannot exceed ten percent (10%) above the verified prices at the approved off-Airport locations. Accordingly, Concessionaire warrants and represents that Concessionaire, its employees, sublessees, successors and assigns, if any, will adhere to the following:
>
> Concessionaire, at least thirty (30) days prior to the Commencement Date, must submit a list of at least three (3) businesses in the San Diego Metropolitan Statistical Area that Concessionaire proposes to use to compare the prices to be

charged at the Airport for each item and/or service to be sold to Authority for approval. The businesses must be comparable in concept, size, ambiance, and quality to those proposed by Concessionaire for the Airport and the products and/or services used for comparison pricing must also be of like size and quality. The comparable businesses designated by Concessionaire must be valid comparables and will be used as the basis for price comparisons during the Term of the Lease to determine compliance with Street Pricing. Venues specifically excluded from consideration as comparables include entertainment or sports venues, other transportation terminals, amusement parks, zoos, resorts and hotels. Upon receipt of Authority's approval of the comparable businesses to be used, or alternatives as proposed by Concessionaire, Concessionaire shall submit a service and/or product and price list to Authority and identify the prices charged by the approved, comparable businesses proposed to be used as a basis for the prices to be charged by Concessionaire.

The prices to be charged by Concessionaire may not exceed the average of the prices charged by the approved comparable businesses by more than ten percent (10%). Authority shall have the right to approve, disapprove, or require price reductions when it determines that a lower price is reasonably justified. Following Authority's initial approval of Concessionaire's proposed prices, thereafter, price changes, with the exception of promotions, will be allowed not more often than semi-annually, and only if supported by the then current prices charged by the approved comparable businesses, as appropriate. Authority may, but shall not be required to, approve price increase or decreases at times other than as specified herein when such approval is requested by Concessionaire for extenuating circumstances. A listing of the proposed changes in price shall be submitted in writing to Authority, together with the applicable prices of the approved, comparable businesses. Authority may reject any or all of the proposed changes, by written notice to Concessionaire when the proposed changes are inconsistent with Street Pricing. Failure to comply with the provisions of this Section shall be a material breach of this Lease.

If Concessionaire owns and/or operates a similar business selling like products or services to the public in the San Diego Metropolitan Statistical Area , then prices charged at the Premises shall not be more than ten percent (10%) higher than the prices charged at the non-airport location, excluding value package deals. Concessionaire shall provide to Authority the locations for verification.

If Street Pricing cannot be determined, as described above, then Authority will identify local area businesses, first considering businesses in the San Diego Metropolitan Statistical Area, similar to Concessionaire's businesses at the Airport and Street Pricing will be set using the average prices for the same or similar goods at three (3) selected off-Airport businesses.

B. At any time during the Term hereof, Authority may make or cause to be made a survey of prices charged for products or services offered by Concessionaire at the Airport. If the survey concludes that any prices charged by Concessionaire at the Airport are not in compliance with Street Pricing, Authority will provide Concessionaire a copy of the survey and a written request to adjust its prices as necessary to ensure that they are in compliance with Street Pricing and shall reimburse Authority for the cost of the survey.

C. In the event it is determined by the Authority that Concessionaire is not in compliance with Street Pricing, Authority shall give Concessionaire written notice thereof. If Concessionaire does not make appropriate adjustments to comply with Street Pricing within three (3) days of such notice, additional penalties may be imposed as provided in Article 18. If Concessionaire is found by Authority to have charged prices in excess of Street Pricing more than twice in any calendar quarter, Authority shall have the right to other remedies available to it, including default and the Lease shall be subject to termination.

D. In the event Concessionaire, after (i) having been given notice by Authority that it is in violation of Street Pricing and must reduce prices and/or (ii) having been assessed any penalty for Street Pricing violations is later found to have again violated Street Pricing, Authority shall have the right to terminate this Lease for cause by giving sixty (60) days written notice to vacate the Premises. Failure of Authority to exercise its right to terminate this Lease shall not constitute a waiver of Authority's right to terminate at a later date for the same, similar, or continued violation of Street Pricing

On February 2, 2011, a request for proposals (RFP) was released for 8 food and beverage packages totaling 46 locations; and 8 retail packages totaling 40 locations. The above listed Street Pricing lease language was included within the RFP documents for respondents to contemplate as part of its proposal and was subsequently included in the leases executed with the successful respondents. On May 25, 2011 a total of 48 responses were received to the RFP from 20 different entities.

Since the opening of the new venues in late 2013 and early 2014, product pricing has been a source of concern to the traveling public and the Board. The Board and staff worked to resolve issues to ensure the street pricing policy was implemented as intended. For example, to ensure bottled water pricing was not excessive, the Board directed staff to review all bottled water pricing and water specifications to ensure strict compliance with the existing street pricing requirements.

In 2015, a number of food and beverage concessionaires expressed concern regarding their forecast of future profitability at SDIA due to increased wages and negotiated union benefits. The largest impact of these increases is expected to occur in 2018. In February 2017 a primary concessionaire provided a letter to the Board reiterating these concerns and requested an amendment to the existing concession lease with the Authority. Specifically, the request was to include entertainment or sports venues, other transportation terminals, amusement parks, zoos, resorts and hotels when checking comparable products for pricing approval by the Authority. Currently these venues are specifically excluded from being used for comparable product pricing.

Specific language was proposed by the Concessionaire to modify the current agreement as follows: (Bold italics are added for emphasis to highlight modifications requested)

<u>Current language from Section 8.03 (A) of the Concession Lease:</u>

"…Venues specifically ***excluded*** from consideration as comparables include entertainment or sports venues, other transportation terminals, amusement parks, zoos, resorts and hotels."

Concessionaire Proposed language for Section 8.03 (A):
"…Venues that may be considered as comparable ***may include*** entertainment or sports venues, other transportation terminals, amusement parks, zoos, resorts and hotels. ***In these cases an additional 10% markup will not be considered.***"

Additionally, the Concessionaire proposes to enhance the language within Section 8.03 to specify that any pricing found to be above the allowed level would be deemed gouging and would require adjustment. Existing language in section 8.03(C) already requires the Concessionaire to comply with Street Pricing within three days of the Authority providing notice of non-compliance (actual language of section 8.03(C) is included on the following page).

The Concessionaire's proposed language, essentially to update the existing 8.03(C), is as follows:

"It is the Authority's intent not to gouge Airport customers and therefore any pricing found to fall above may be deemed gouging and must be adjusted accordingly."

The Board requested Staff to evaluate the concessionaire's request and provide the Board with its assessment.

FINANCIAL REVIEW

In order to understand the current and expected financial condition, Staff requested updated actual and forecast financial statements from the individual concessionaire that sent the letter requesting the Street Pricing lease language change. In April, the concessionaire provided its actual expenses from inception through December 2016 and a forecast through the end of the lease term (Calendar Year 2023/24). Staff analyzed other food and beverage concessionaires' gross sales performance as well, but did not obtain updated forecasts of their full financial statements through the end of their lease terms. Due to the proprietary nature of the financial data, only general findings are included.

To date, the food and beverage concessionaires have varied significantly from their gross sales forecasts provided in their original proposals. For example, one concessionaire is exceeding their gross sales proposal forecast by nearly 50% compared to another concessionaire which is exceeding their proposal by approximately 20%. Similarly, one concessionaire's net profit margin to date is significantly exceeding their net profit margin proposal forecast, while another is not meeting their proposal forecast.

The concessionaires' union agreements require increased benefits in 2018, which is expected to cause profitability to significantly drop. The concessionaire that provided full actual and forecast financial statement information is also the highest performing concessionaire in terms of gross sales. Based on this pro forma data, the net profit margin for this concessionaire over the full term may fall below their proposal net profit margin by as much as 3%.

For this concessionaire's pro forma forecast, Staff used a conservative gross sales forecast growth rate of 3.5% for the remainder of the term, however actual sales to date since inception have increased significantly more than 3.5%. For example, gross sales for this concessionaire increased 10.5% in calendar year 2017 year-to-date compared to 2016, and gross sales increased 29% in calendar year 2016 compared to 2015. For the entire food and beverage category, gross sales have increased 8.4% in calendar year 2017 year-to-date compared to 2016, and gross sales increased 10.2% in calendar year 2016 compared to 2015. Also of note, product prices have increased annually for concessionaires ranging from 3% to 17%, depending on the product.

DISCUSSION

Based on a review of the concession program and collaboration among stakeholders, Staff offers the following potential routes the Board may want to consider when determining how best to address the request.

Option 1 Decline the request and leave Street Pricing language unchanged with intent to re-evaluate during 2018 based on actual performance at that time

- Remains consistent with existing Street Pricing strategy and current public awareness/experience
- Consistent with RFP program criteria utilized by concessionaires when creating and submitting proposals
- Does not allow blanket increases in pricing, rather continues to mirror the pricing of the off-airport environment
- May result in the concessionaire being unable to meet its profitability goals
- May cause the concessionaire to reduce services and/or maintenance in an effort to increase its profitability
- Requires continuation of high level of administrative support by both the concessionaire and Authority Staff for price compliance
- The profitability analysis outlined in this memo assumes a 3.5% average growth rate for the remainder of the term. Actual sales could substantially differ from this assumption either positively or negatively.

Option 2 Accept the proposed request to allow entertainment or sports venues, other transportation terminals, amusement parks, zoos, resorts and hotels to be utilized as market comparable

- Higher pricing may generate more gross sales for the concessionaire and in turn higher revenue to the Authority
- Higher prices may lead to lower transaction counts while maintaining gross sales figures which could lead to labor savings as a percentage of sales for the concessionaire
- Increased prices may assist the concessionaire to achieve its profitability goals

- Increased pricing to the traveling public would be expected. Upon evaluating the venues proposed for comparable pricing, the allowed pricing for items such as beer, wine and sodas could potentially increase by approximately 50%.
- Traveling public may register negative reviews of the Airport and its venues
- Deviates from the RFP program criteria utilized by concessionaires when creating and submitting proposals and establishing percentage rents
- Implementation of a “mixed” comparable pricing program would be difficult for staff and create more administration time
- Staff estimates that this option would potentially generate an additional 3.5% to each of the concessionaires’ profit margins. This equates to approximately $11 million of additional net income over the term of one food and beverage concessionaire’s agreement, for example.

Option 3 Remove and/or suspend Street Pricing requirement entirely within one or all terminals

- Higher pricing may generate more gross sales for the concessionaire and in turn higher revenue to the Authority
- Reduces challenges and costs associated with administering the Street Pricing program
- Enables prices to increase and assists the concessionaire in achieving its profitability goals
- Potentially allows abusive pricing of products for captive travelers. The terminals have limited venues which may not create an open free market environment. For example, within Terminal 1 west, one concessionaire is the only food and beverage operator within the post security area and the customers have no alternatives for securing food or beverage services
- Inconsistent with Airport industry practices. The Airport Council International (ACI) Commercial Management Benchmarking Survey from 2016, determined of the twenty-eight large airports who responded to the annual survey, twenty-five use street, street plus, or some combination of street pricing language while the three others allowed comparables to other airports (which would be the twenty-five large airports who have a street pricing requirement).
- Deviates from the RFP program criteria utilized by concessionaires when creating and submitting proposals and establishing proposed percentage rents

Option 4 Adjust Street Pricing requirement from +10% to a level of +15%

- Higher pricing may generate more gross sales for the concessionaire and in turn higher revenue to the Authority
- Higher prices may lead to lower transaction counts while maintaining gross sales figures which could lead to labor savings as a percentage of sales for the concessionaire
- Increased prices may assist the concessionaire to achieve its profitability goals
- Traveling public may register negative reviews of the Airport and its venues

- Deviates from the RFP program criteria utilized by concessionaires when creating and submitting proposals and establishing percentage rents
- The Board previously considered and declined an increase to allow Street Pricing +15%
- Staff estimates that this option would potentially generate an additional 3% to each of the concessionaires' profit margins. This equates to approximately $9 million of additional net income over the term of one food and beverage concessionaire's agreement, for example.

Option 5 Increase flexibility and efficiency by: 1) allowing concessionaires to include a 3% surcharge within pricing comparables when establishing pricing limits. Certain restaurateurs within San Diego are currently assessing surcharges in response to the City wage ordinance; and 2) adjust pricing submittals and reporting requirements to be limited to every other year and include each venue's top 3 selling items to reduce administrative cost to concessionaires who currently are required to complete full pricing audits and reviews of its entire product lines – Authority would reserve the right to require a complete pricing Audit at its sole discretion. Additionally, for branded concepts, only a letter from the Concessionaire committing to compliance with the corporate brand pricing would be required.

- Higher pricing may generate more gross sales for the concessionaire and in turn higher revenue to the Authority
- Remains generally consistent with existing Street Pricing strategy
- Increased prices may assist the concessionaire to achieve its profitability goals
- Reduces administrative burdens and costs
- May result in Staff being unable to catch pricing discrepancies timely
- Likely would result in an immediate 3% increase in pricing to the traveling public
- Traveling public may register negative reviews of the Airport and its venues
- Staff estimates that this option would potentially generate an additional 2% to each of the concessionaires' profit margins. This equates to approximately $6 million of additional net income over the term of one food and beverage concessionaire's agreement, for example.

Fiscal Impact:

Depending on Board action, gross sales for concessionaires might be impacted. If amendments to concession agreements creates increased gross sales for concessionaires, this will translate to higher revenue to the Authority.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☐ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☒ Financial Strategy ☐ Operations Strategy

Environmental Review:

A. CEQA: This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not Applicable.

Prepared by:

SCOTT BRICKNER,
VICE PRESIDENT FINANCE AND ASSET MANAGEMENT/TREASURER

SAN DIEGO INTERNATIONAL AIRPORT
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Item 17

Discussion and Possible Action Regarding Street Pricing Requirement Contained in Concession Agreements

Presented by:
Kathy Kiefer, Senior Director, Finance & Asset Management
Eric Podnieks, Program Manager, Real Property & Concessions

July 6, 2017

Existing Concession Program

New concession program was established to replace the single concession operator and began in 2012

Currently 83 Venues

- 40 Food and Beverage venues operated by 4 companies
- 28 Specialty Retail operated by 8 companies
- 14 News and Gift operated by 4 companies
- 1 Duty Free operated by 1 company

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Goals of Program

Board identified goals in 2010:

- Maximize concession opportunities
- Exceed passengers' expectations
- Encourage healthy competition
- Create opportunities for ACDBE, local, and small businesses
- Represent the best local, regional, national, and international concepts/brands
- Optimize non-aviation revenues

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Process Used to Implement Program

February 2, 2011 - RFP was released

- 8 separate food and beverage packages totaling 46 locations
- 8 retail packages totaling 40 locations

May 25, 2011 - 48 responses received from 20 different entities

Street Pricing +10% lease language:

- Included within the RFP documents for retail and food and beverage respondents to contemplate in proposals
- Subsequently included within leases executed with the successful respondents

Why "Street Pricing +10%"?

- Concession venues are constrained within terminal buildings and do not allow for a free unencumbered marketplace
- Board wanted to ensure reasonable pricing to the traveling public
- Board endorsed the concept of Street Pricing +10% to ensure prices remain comparable with what consumers pay outside the airport
- Allows pricing to fluctuate to mirror changes in the marketplace
- Requirement was part of the RFP documents

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Street Pricing Lease Terms

- Prices charged at airport cannot exceed 10% above approved off-airport locations
    - Excludes entertainment/sports venues, other transportation terminals, amusement parks, zoos, resorts and hotels
- Pricing set using average of three selected comparables
- Documentation of all comparables required
- Pricing changes limited to a maximum of twice/year
- Non-compliance requires corrective action within 3 days

Financial Sustainability Concerns

Concessionaires concerned about future profitability under the Street Pricing +10%

- Negotiated union benefits effective in 2018
- Increasing wages

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Financial Performance of Program

- Sales have generally exceeded proposal forecast levels by 20% - 50%, depending on concessionaire

- Net profit margins have varied for each concessionaire vs. proposal forecasts

- Net profit margins expected to decline due to increasing costs in 2018

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Pricing Options To Consider

Option 1 Leave Street Pricing language unchanged with intent to re-evaluate during 2018 based on concessionaires' actual performance at that time

Option 2 Allow entertainment or sports venues, other transportation terminals, amusement parks, zoos, resorts and hotels to be utilized as market comparable

Option 3 Remove and/or suspend Street Pricing requirement entirely within one or all terminals

Option 4 Adjust Street Pricing requirement from +10% to a level of +15%

Option 5 Allow 3% surcharge to be assessed when establishing baseline market comparable and increase administrative efficiencies

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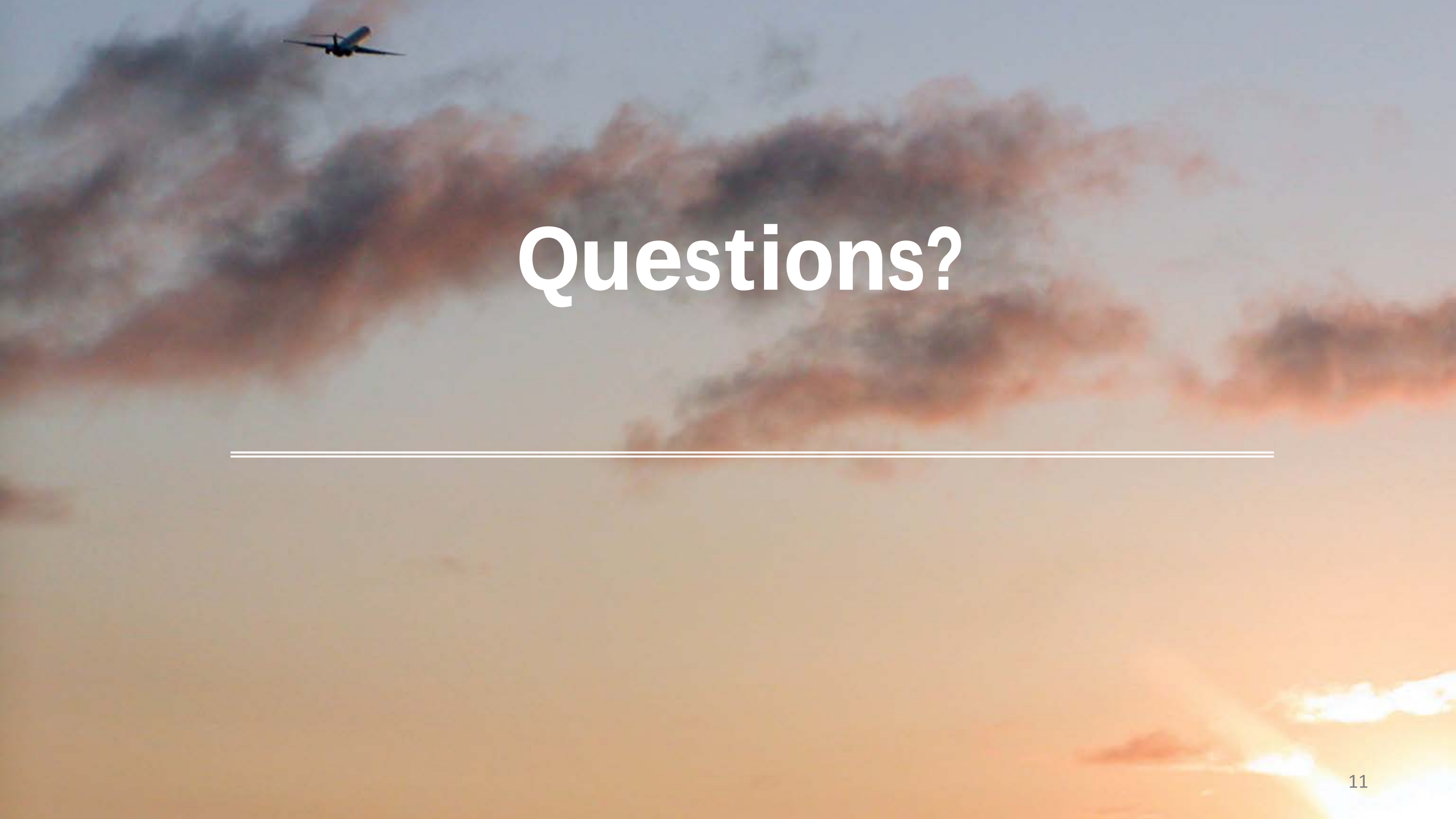
	Consistent with RFP Program	Consistent with prior Board Policy	Increases Profitability to Concessionaires	Increases Revenue to the Authority	Decreases administrative compliance burden	May negatively affect customer satisfaction
Option 1 **No Change**	✖	✖				
Option 2 **Allow Broader Comparisons (Specific Request From One Concessionaire)**			✖ 3.5% [1] $11 Million [2]	✖		✖
Option 3 Remove Street Pricing Entirely			✖ Unknown – estimate in excess of Option 2	✖	✖	✖
Option 4 **Increase to Street +15%**			✖ 3% [1] $9 Million [2]	✖		✖
Option 5 **Allow Surcharges to be included with market comparable and lessen administrative burdens**	✖	✖	✖ 2% [1] $6 Million [2]	✖	✖	✖

1. % increase profit margin
2. $ increase in net income



Questions?

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

Item No.
18

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Authorize an Amendment to the Federal Inspection Services Facility Agreement with Turner-PCL, a Joint Venture, Allowing the Conversion of the Basis of Payment of Costs Incurred for Subcontractors Not Procured Competitively From Time and Materials to Lump Sum

Recommendation:

Adopt Resolution No. 2017-0063, authorizing an amendment to the Federal Inspection Services Facility agreement with Turner-PCL, a Joint Venture, allowing subcontractors not procured using a competitive process to be paid on a lump sum basis rather than on a time and materials basis.

Background/Justification:

At the September 15, 2016, San Diego County Regional Airport Authority ("Authority") Board meeting, the Board received a presentation from Authority staff regarding the expected growth of international air service and the Federal Inspection Services ("FIS") facilities at San Diego International Airport. The Board directed staff to investigate the feasibility of a new FIS facility at Terminal 2 West by preparing a project definition document and commencing a procurement process for the FIS facility.

At the March 2, 2017, Board meeting, the Board approved and authorized the President/CEO to negotiate and execute an agreement with Turner-PCL, a Joint Venture ("Turner-PCL") for design and construction of the Terminal 2 West FIS facility for a Guaranteed Maximum Price not-to-exceed $186,625,485.00. The Board also found that it was in the best interest of the Authority to allow Turner-PCL to procure key trade subcontracts without a competitive process due to the accelerated project schedule and the cost validation that will be performed on these key trade subcontracts to ensure reasonable pricing as long as payment was made on a time and materials basis [Resolution No. 2017-0020R].

To facilitate the needs of the accelerated project schedule, Turner-PCL included in their proposal a list of key trade subcontractors that Turner-PCL intended to procure without a competitive bid process. These subcontractors were part of the project team from the start of the project to advance design for timely completion of the building permit process and start of construction. The key trades that Turner-PCL expected to procure without a competitive process are listed below:

- Elevators and Escalators;
- Baggage Handling System;
- Structural Systems;
- Exterior Wall and Interior Wall Systems;

- Mechanical and Plumbing Systems;
- Electrical Systems;
- Technology Systems; and
- Fire Protection Systems.

The March 2, 2017, Board authorization indicated that Authority staff was to review and validate all costs incurred by these subcontractors using an open book process for approval of their payments on a time and material basis.

Turner-PCL and the Authority executed an agreement on March 8, 2017, and Turner-PCL began design, procurement and preliminary construction. As Turner-PCL has proceeded with procurement and Authority staff and Turner-PCL staff have begun developing the process to validate payment on a time and material basis for subcontractors that were procured without competition, issues related to this process have become apparent. These issues include 1) the competing priorities of the fast pace of the project and the heavy administrative burden created by multiple trades keeping and submitting time and materials invoices creates risk for the success of the project; 2) valuable staff resources needed to keep the project on track will be redirected to the intensive time and material administrative process throughout multiple shifts; 3) multiple subcontractors have indicated that they are not accustomed or equipped to provide real-time time and material invoicing at the scale required; and 4) there is a significant risk of delayed payments which could impact small and local businesses and may cause subcontractors to be unable to complete their project work.

To mitigate many of the issues, Turner-PCL has competitively procured the following subcontractors: Structural Steel; Elevators and Escalators; Plumbing; Electrical; and Technology Systems. Authority staff will review the procurement process utilized by Turner-PCL to validate that the procurement process was fair and reasonable. If the Authority determines that the prices are reasonable, these subcontractors will be paid on a lump sum basis.

Turner-PCL does not intend to competitively bid the following trades: Baggage Handling Systems; Exterior and Interior Wall Systems; Mechanical; and Fire Protection. For trades that are not competitively bid, rather than payment on a time and materials basis, staff requests authorization to convert those subcontractors to lump sum using a process outlined in Article 11.4.7.1 of the contractor agreement. Article 11.4.7.1 reads:

> 11.4.7.1 <u>Validation of Proposed Lump Sum</u>: In order to use the Lump Sum method of payment for portions of Work not included within a competitively bid process, a Lump Sum negotiation must be undertaken to validate that the Lump Sum price is fair and reasonable.Such negotiations may include:
>
> 1. Estimate proposal reconciliation; or
>
> 2. Independent estimate dictates

Turner-PCL and Authority staff will develop a detailed validation process that will include a review of the subcontractor's proposal using either an estimate reconciliation process or a 3rd party independent cost estimator to determine if the proposal is fair and reasonable. If Turner-PCL and the Authority reach agreement on a fair and reasonable proposal for a particular subcontractor, Turner-PCL will modify that subcontractor's contract to a lump sum and the subcontractor will be paid monthly based on the percentage that Turner-PCL and the Authority agree the subcontractor's work is complete. If Turner-PCL and the Authority are unable to reach agreement on a fair and reasonable proposal for a particular subcontractor, then Turner-PCL will proceed with paying that subcontractor on a time and material basis.

Staff requests that the Board authorize an amendment to the Turner-PCL agreement allowing the review and validation of lump sum cost proposals for subcontractors not procured using a competative process and, should agreement be reached on a fair and reasonable lump sum value, convert the basis of payment for these subcontractors from time and material to lump sum.

Fiscal Impact:

Adequate funds for the Terminal 2 West Federal Inspection Services Facility project are included within the Board approved FY2017-FY2021 Capital Program Budget in Project No. 412001. Sources of funding for this project include: Airport Revenue Bonds, Passenger Facility Charges, and Airport Cash.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy ☒ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☒ Operations Strategy

Environmental Review:

California Environmental Quality Act (CEQA) Review. As lead agency, the San Diego County Regional Airport Authority prepared a FEIR (State Clearinghouse #2005091105) that was certified in 2008 for the Airport Master Plan in compliance with CEQA and CEQA Guidelines (California Code of Regulations, Section 15000 et seq., as amended). The FEIR included both Program- and Project-level analyses. The FEIR evaluated, at a Program level, the potential short-term and long-term, direct, indirect, and cumulative environmental impacts associated with the airport uses designated by the Airport Land Use Plan in the AMP. The Program-level analysis in the FEIR considered additional improvements to meet aviation demand beyond 2015, with such additional improvements being subject to further planning efforts and related environmental documents. The Program-level analysis in the FEIR also included those additional improvements in the evaluation of potential environmental impacts through the year 2030.

In addition, the FEIR provided a Project-level analysis, for the Airport Implementation Plan which consists of specific physical improvements for near-term construction and operation to meet aviation demand through 2015 at SDIA. The currently proposed FIS capacity expansion was addressed in the FEIR at the Project-level analysis, while also being accounted for in the Program-level analysis as part of the overall Land Use Plan proposed for the airport.

Section 15164 of the State CEQA Guidelines states that an Addendum to an EIR should be prepared "if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred." When an Addendum is prepared, the decision-making body must consider the Addendum with the EIR prior to making a decision on the Project. Although, pursuant to State CEQA Guidelines Section 15164(c), an addendum to an EIR need not be circulated for public review, this Addendum to the San Diego International Airport AMP FEIR (along with the FEIR) has been available since December 28, 2016, for public review on the Airport Authority website at www.san.org and at the San Diego County Regional Airport Authority offices.

California Coastal Act Review. Staff continues to coordinate with the California Coastal Commission to determine the appropriate level of consistency review with the California Coastal Act.

Application of Inclusionary Policies:

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

No preferences were applied to the award of the Contractor Agreement with Turner-PCL; however, Turner-PCL's proposal included commitments for SB, LB, and SDVOSB participation and Turner-PCL is required by the contract to work with the Authority in accordance with their small business plan and outreach plan to maximize participation of small, local, historically underutilized and service disabled veteran owned small businesses.

Prepared by:

BOB BOLTON
DIRECTOR, AIRPORT DESIGN & CONSTRUCTION

RESOLUTION NO. 2017-0063

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AUTHORIZING AN AMENDMENT TO THE FEDERAL INSPECTION SERVICES FACILITY AGREEMENT WITH TURNER-PCL, A JOINT VENTURE, ALLOWING SUBCONTRACTORS NOT PROCURED USING A COMPETITIVE PROCESS TO BE PAID ON A LUMP SUM BASIS RATHER THAN ON A TIME AND MATERIALS BASIS

WHEREAS, at the September 15, 2016, San Diego County Regional Airport Authority ("Authority") Board meeting, the Board received a presentation from Authority staff regarding the expected growth of international air service and the Federal Inspection Services ("FIS") facilities at San Diego International Airport, and directed staff to investigate the feasibility of a new FIS facility at Terminal 2 West by preparing a project definition document and commencing a procurement process for the FIS facility; and

WHEREAS, on March 2, 2017, the Board approved and authorized the President/CEO to negotiate and execute an agreement with Turner-PCL, a Joint Venture ("Turner-PCL") for design and construction of the Terminal 2 West FIS facility for a Guaranteed Maximum Price not-to-exceed $186,625,485.00 and found that it was in the best interest of the Authority to allow Turner-PCL to procure key trade subcontracts without a competitive process due to the accelerated project schedule and the cost validation that will be performed on these key trade subcontracts to ensure reasonable pricing as long as payment was made on a time and materials basis [Resolution No. 2017-0020R]; and

WHEREAS, to facilitate the needs of the accelerated project schedule, Turner- PCL included in their proposal a list of key trade subcontractors that Turner-PCL intended to procure without a competitive bid process; and

WHEREAS, these subcontractors were part of the project team from the start of the project to advance design for timely completion of the building permit process and start of construction; and

WHEREAS, the key trades that Turner-PCL expected to procure without a competitive process are: Elevators and Escalators; Baggage Handling System; Structural Systems; Exterior Wall and Interior Wall Systems; Mechanical and Plumbing Systems; Electrical Systems; Technology Systems; Fire Protection Systems; and

WHEREAS, the March 2, 2017, Board authorization indicated that Authority staff was to review and validate all costs incurred by these subcontractors using an open book process for approval of their payments on a time and material basis; and

WHEREAS, Turner-PCL and the Authority executed an agreement on March 8, 2017, and Turner-PCL began design, procurement and preliminary construction; and

WHEREAS, Turner-PCL has proceeded with procurement and Authority staff and Turner-PCL staff have begun developing the process to validate payment on a time and material basis for subcontractors that were procured without competition, issues related to this process have become apparent; and

WHEREAS, these issues include 1) the competing priorities of the fast pace of the project and the heavy administrative burden created by multiple trades keeping and submitting time and materials invoices creates risk for the success of the project; 2) valuable staff resources needed to keep the project on track will be redirected to the intensive time and material administrative process throughout multiple shifts; 3) multiple subcontractors have indicated that they are not accustomed or equipped to provide real-time time and material invoicing at the scale required; and 4) there is a significant risk of delayed payments which could impact small and local businesses and may cause subcontractors to be unable to complete their project work; and

WHEREAS, to mitigate many of the issues, Turner-PCL has competitively procured the following subcontractors: Structural Steel; Elevators and Escalators; Plumbing; Electrical; and Technology Systems; and

WHEREAS, Authority staff will review the procurement process utilized by Turner-PCL to validate that the procurement process was fair and reasonable; and

WHEREAS, if the Authority determines that the prices are reasonable, these subcontractors will be paid on a lump sum basis; and

WHEREAS, Turner-PCL does not intend to competitively bid the following trades: Baggage Handling Systems; Exterior and Interior Wall Systems; Mechanical; and Fire Protection; and

WHEREAS, for trades that are not competitively bid, rather than payment on a time and materials basis, staff requests authorization to convert those subcontractors to lump sum using a process outlined in Article 11.4.7.1 of the contractor agreement; and

WHEREAS, Turner-PCL and Authority staff will develop a detailed validation process that will include a review of the subcontractor's proposal using either an estimate reconciliation process or a 3rd party independent cost estimator to determine if the proposal is fair and reasonable; and

WHEREAS, if Turner-PCL and the Authority reach agreement on a fair and reasonable proposal for a particular subcontractor, Turner-PCL will modify that subcontractor's contract to a lump sum and the subcontractor will be paid monthly based on the percentage that Turner-PCL and the Authority agree the subcontractor's work is complete; and

WHEREAS, if Turner-PCL and the Authority are unable to reach agreement on a fair and reasonable proposal for a particular subcontractor, then Turner-PCL will proceed with paying that subcontractor on a time and material basis.

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes an amendment to the Federal Inspection Services Facility agreement with Turner-PCL, a Joint Venture, allowing subcontractors not procured using a competitive process to be paid on a lump sum basis rather than on a time and materials basis; and

BE IT FURTHER RESOLVED that the Board hereby finds and determines that the Project was evaluated pursuant to Cal. Pub. Res. Code Section 21166 of the California Environmental Quality Act (CEQA) and Guidelines for CEQA Section 15162 as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH #2005091105; SDCRAA #EIR-06-01) certified on May 1, 2008, for which findings were made and mitigation measures adopted; and

BE IT FURTHER RESOLVED that the Board received and considered the Addendum to the 2008 Final Environmental Impact Report for the San Diego International Airport Master Plan dated December 2016 that determined that the FEIR and the Addendum are adequate for purposes of analyzing the environmental impacts of the proposed Project pursuant to CEQA; and

BE IT FURTHER RESOLVED that the Board directs staff to coordinate with the California Coastal Commission to determine consistency with the California Coastal Act.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 6th day of July, 2017, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE &
INFORMATION GOVERNANCE /
AUTHORITY CLERK

APPROVED AS TO FORM:

AMY GONZALEZ
GENERAL COUNSEL

Item 19

Discussion and possible action regarding public employee compensation - General Counsel

There are no meeting materials for this item

Item 20

Discussion and possible action regarding public employee compensation – Chief Auditor

There are no meeting materials for this item

SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY

STAFF REPORT

Meeting Date: **JULY 6, 2017**

Subject:

Business and Travel Expense Reimbursement Reports for Board Members, President/CEO, Chief Auditor and General Counsel When Attending Conferences, Meetings, and Training at the Expense of the Authority

Recommendation:

For information only.

Background/Justification:

Authority Policy 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting. Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of policies 3.30 and 3.40

Fiscal Impact:

Funds for Business and Travel Expenses are included in the FY 2016-2017 Budget.

Authority Strategies:

This item supports one or more of the Authority Strategies, as follows:

☒ Community Strategy ☐ Customer Strategy ☐ Employee Strategy ☐ Financial Strategy ☐ Operations Strategy

Environmental Review:

A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a “project” subject to CEQA. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Application of Inclusionary Policies:

Not applicable.

Prepared by:

TONY R. RUSSELL
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

TRAVEL REQUEST

KIMBERLY J BECKER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.

B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: 6

Position: ☐ Board Member ☑ President/CEO ☐ Gen. Counsel ☐ Chief Auditor

☐ All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 6/7/2017 PLANNED DATE OF DEPARTURE/RETURN: 9/24/17 / 9/27/17

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):

Destination: Washington, DC

Purpose: Attend the San Diego Regional Chamber of Commerce Mission to Washington, DC

Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:		
• AIRFARE	$	600.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	$	150.00
B. LODGING	$	1100.00
C. MEALS	$	200.00
D. SEMINAR AND CONFERENCE FEES	$	1300.00
E. ENTERTAINMENT (If applicable)	$	
F. OTHER INCIDENTAL EXPENSES	$	50.00
TOTAL PROJECTED TRAVEL EXPENSE	$	3400.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: Kimberly J Becker Date: 6/7/17

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: ______________________ Date: __________

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, ______________________, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its ______________________ meeting.
(Leave blank and we will insert the meeting date.)

TRAVEL EXPENSE

KIMBERLY J BECKER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT

(To be completed within 30 days from travel return date)

TRAVELER: Kimberly J. Becker DEPT. NAME & NO. Executive Office/BU 6

DEPARTURE DATE: 5/23/2017 RETURN DATE: 5/24/2017 REPORT DUE: 6/23/17

DESTINATION: Los Angeles, CA - ACI-NA Airport Construction Strategy Summit

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

	Authority Expenses (Prepaid by Authority)	Employee Expenses							
		SUNDAY	MONDAY	TUESDAY 5/23/17	WEDNESDAY 5/24/17	THURSDAY	FRIDAY	SATURDAY	TOTALS
Air Fare, Railroad, Bus *(attach copy of itinerary w/charges)*									0.00
Conference Fees *(provide copy of flyer/registration expenses)*	$525.00								0.00
Rental Car*									0.00
Gas and Oil*									0.00
Garage/Parking*									0.00
Mileage - attach mileage form*				65.80	65.81				131.61
Taxi and/or Shuttle Fare *(include tips pd.)**									0.00
Hotel*				300.13					300.13
Telephone, Internet and Fax*									0.00
Laundry*									0.00
Tips - *separately paid (maids, bellhop, other hotel srvs.)*									0.00
Meals *(include tips pd.)* Breakfast*									0.00
Lunch*				25.21					25.21
Dinner*				49.21					49.21
Other Meals*									0.00
Alcohol is a non-reimbursable expense									
Hospitality [1] *									0.00
Miscellaneous:									0.00
									0.00
									0.00
**Provide detailed receipts*									0.00
Total Expenses prepaid by Authority	525.00	0.00	0.00	440.35	65.81	0.00	0.00	0.00	506.16

Explanation:

Total Expenses Prepaid by Authority	525.00
Total Expenses Incurred by Employee (including cash advances)	506.16
Grand Trip Total	1,031.16
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	525.00
Due Traveler (positive amount)[2] **Due Authority** (negative amount)[3]	506.16

Note: Send this report to Accounting even if the amount is $0.

[1]Give names and business affiliations of any persons whose meals were paid by traveler.
[2] Prepare Check Request
[3]Attach personal check payable to SDCRAA

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy[4] and 3.30 - Business Expense Reimbursement Policy[5] and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.
[4] Travel and Lodging Expense Reimbursement Policy 3.40 [5] Business Expense Reimbursement Policy 3.30

Prepared By: Kim Ayers (Print/Type Name) Ext.: 2445

Traveler Signature: Kimberly J Becker Date: 5/30/17

Approved By: Date:

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE **(To be certified if used by President/CEO, Gen. Counsel, or Chief Auditor)**

I, ______ hereby certify that this document was approved by the Executive Committee at its
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

______ meeting.
(Leave blank and we will insert the meeting date.)

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any questions, please see your department Administrative Assistant or call Accounting at ext. 2806.

C:\Users\kayers\AppData\Roaming\OpenText\OTEdit\EC_ECMS\c13282932\ExpenseRpt-LosAngeles-KB

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2017

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME Kimberly J. Becker			PERIOD COVERED 5/23-5/24/'	
DEPARTMENT/DIVISION Executive Office/BU 6				
Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	$$$
5/23/17	123.00	SAN-Los Angeles		
5/24/17	123.00	Los Angeles-SAN		
SUBTOTAL	246.00		SUBTOTAL	-

Computation of Reimbursement

			246.00
REIMBURSEMENT RATE: (see below) *	Rate as of January 2017	X	0.535
TOTAL MILEAGE REIMBURSEMENT			131.61
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)			-
TOTAL REIMBURSEMENT REQUESTED			$ 131.61

I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

Business Expense Reimbursement Policy 3.30

Kimberly J Becker

SIGNATURE OF EMPLOYEE

DEPT./DIV. HEAD APPROVAL

Google Maps 3225 North Harbor Drive, San Diego, CA to 251 S Olive St, Los Angeles, CA 90012 Drive 123 miles, 2 h 25 min

3225 N Harbor Dr

San Diego, CA 92101

Get on I-5 N from N Harbor Dr, W Laurel St and India St

10 min (3.0 mi)

1. Head west

33 ft

2. Turn left toward Airport Terminal Rd

262 ft

3. Turn right toward Airport Terminal Rd

0.1 mi

4. Turn left onto Airport Terminal Rd

358 ft

5. Slight left to stay on Airport Terminal Rd

0.1 mi

6. Continue straight

358 ft

7. Turn left onto N Harbor Dr

1.1 mi

8. Use the left 2 lanes to turn left onto W Laurel St

0.4 mi

9. Use the left 2 lanes to turn left onto India St

0.8 mi

10. Use the left 2 lanes to take the ramp onto I-5 N

0.3 mi

Follow I-5 N to Los Angeles. Take the Interstate 110 S exit from CA-110

1 h 54 min (119 mi)

11. Merge onto I-5 N

74.9 mi

12. Keep left at the fork to stay on I-5 N, follow signs for Santa Ana

39.4 mi

13. Keep left at the fork to continue on US-101 N, follow signs for Los Angeles N/Civic Center

3.6 mi

14. Use the right 2 lanes to take exit 3 for I-110 S/Harbor Fwy toward San Pedro

0.6 mi

15. Use the 2nd from the right lane to merge onto CA-110

0.2 mi

16. Use the 2nd from the right lane to take the Interstate 110 S exit toward 6th St/Wilshire Blvd/4th St/3rd St

400 ft

17. Use the 2nd from the right lane to follow signs for CA-110 S/Harbor Fwy

0.1 mi

18. Keep right to continue on Exit 23B, follow signs for Downtown/4th St and merge onto W 4th St

0.2 mi

Continue on W 4th St. Drive to S Olive St

2 min (0.5 mi)

19. Merge onto W 4th St

0.3 mi

20. Continue straight to stay on W 4th St

0.1 mi

21. Turn left onto S Olive St

Destination will be on the left

0.1 mi

251 S Olive St

Los Angeles, CA 90012

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.

B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Kimberly J. Becker Dept: 6

Position: ☐ Board Member ☑ President/CEO ☐ Gen. Counsel ☐ Chief Auditor

☐ All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 4/3/17 PLANNED DATE OF DEPARTURE/RETURN: 5/23/17 / 5/25/17

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):

Destination: Los Angeles, CA Purpose: Attend ACI-NA Airport Construction Strategy Summit

Explanation:

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:		
• AIRFARE	$	
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	$	136.00
B. LODGING	$	600.00
C. MEALS	$	100.00
D. SEMINAR AND CONFERENCE FEES	$	685.00
E. ENTERTAINMENT (If applicable)	$	
F. OTHER INCIDENTAL EXPENSES	$	50.00
TOTAL PROJECTED TRAVEL EXPENSE	$	1571.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: [signature] Date: 4.3.17

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: ______________________ Date: __________

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, Tony R. Russell, Authority Clerk, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)
by the Executive Committee at its 4-24-17 meeting.
(Leave blank and we will insert the meeting date.)

AIRPORTS COUNCIL INTERNATIONAL

April 26, 2017

Meeting Confirmation & Receipt

Please review your CONTACT information below as it will be used for rosters and badges. Any changes should be sent to meetings@aci-na.org immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name are permitted.

Ms. Kimberly J. Becker
President and CEO
Nickname: Kim
San Diego County Regional Airport Authority
San Diego International Airport
PO Box 82776
San Diego, CA 92138-2776

PH: [redacted]

EM: [redacted]

You are registered for the following:

2017 ACI-NA/ACC/AGC Airport Construction Strategy Summit
Tuesday, May 23, 2017 through Wednesday, May 24, 2017

Omni Los Angeles Hotel at California Plaza
251 South Olive St
Los Angeles, CA 90012

Function	Quantity	Rate	Amount
ACI-NA/ACC/AGC Member Registration Fee	1	$525.00	$525.00
		Total	$525.00
		Payment	$525.00
		Balance	$0.00

April 26, 2017

Meeting Confirmation & Receipt

Please review your CONTACT information below as it will be used for rosters and badges. Any changes should be sent to meetings@aci-na.org immediately.

Please note: The company name listed is per your Official Representative to ACI-NA. No changes to Company name are permitted.

Ms. Kimberly J. Becker
President and CEO
Nickname: Kim
San Diego County Regional Airport Authority
San Diego International Airport
PO Box 82776
San Diego, CA 92138-2776

PH: [redacted]
EM: [redacted]

You are registered for the following:

Page: 2

Function	Quantity	Rate	Amount

Thank you for registering for the 2017 ACI-NA/ACC/AGC Airport Construction Strategy Summit. The conference will be held at Omni Los Angeles Hotel at California Plaza, May 23-24 2017. The registration fee for the conference includes the welcome reception, food functions including breakfast, lunch, and breaks, and all educational materials. Dress for the meeting is business casual.

HOTEL RESERVATIONS
Call Omni Los Angeles Hotel at California Plaza directly at (213) 617-3300 to make your reservation. Be sure to identify yourself an ACI-NA conference attendee to receive the special group rate of $259 single/double occupancy, plus applicable tax. The last day to receive this rate is Friday, April 28, 2017. Rooms may sell out before this date so make your reservation early!

CANCELLATION POLICY
Cancellations must be submitted in writing to meetings@aci-na.org by Tuesday April 18 , 2017. Cancellations received by April 18, 2017 are eligible to receive a refund, less $100 processing fee. Refunds will be credited back to the original credit card used for payment. Refunds will be processed after the conclusion of the conference. No refunds or credits will be giving for cancellation notices received after the cancellation deadline date. No-shows are not eligible for refunds or credits. Substitutions are honored at any time.

We look forward to seeing you in Los Angeles, CA at the 2017 ACI-NA/ACC/AGC Airport Construction Strategy Summit.

OMNI HOTELS & RESORTS

los angeles
251 South Olive Street
Los Angeles, CA 90012
Phone: 213-617-3300 • Fax: 213-617-3399
Reservations: 800-843-6664

BECKER, KIMBERLY

PO BOX 82776
San Diego, CA 92138 US

Room Number: 1319
Daily Rate: 259.00
Room Type: KNPV
No. of Guests: 1 / 0

ARRIVAL	DEPARTURE	CREDIT CARD	RATE PLAN	CATEGORY	ACCOUNT
5/23/2017	5/24/2017	XXXXXXXXXXXX[redacted]	GNATL	GNATL	16901170423

DATE	ROOM NO.	DESCRIPTION	REFERENCE	AMOUNT	
5/23/2017	1319	PRIVATE DINING	1319/2514/19:11/PRIVATE DINING	$49.21	RECEIPT ATT.
5/23/2017	1319	ROOM CHARGE	#1319 BECKER, KIMBERLY	$259.00	
5/23/2017	1319	OCCUPANCY TAX 14%	OCCUPANCY TAX 14%	$36.26	$300.13
5/23/2017	1319	CITY TOURISM ASSESSMENT 1.50%	CITY TOURISM ASSESSMENT 1.50%	$3.89	
5/23/2017	1319	STATE TOURISM ASSESSMENT 0.38%	STATE TOURISM ASSESSMENT 0.38%	$0.98	
5/24/2017	1319	MASTER CARD	MASTER CARD	($349.34)	

TOTAL DUE: $0.00

TERMS: DUE AND PAYABLE UPON PRESENTATION. I AGREE THAT MY LIABILITY FOR THIS BILL IS NOT WAIVED AND AGREE TO BE HELD PERSONALLY LIABLE IN THE EVENT THAT THE INDICATED PERSON, COMPANY OR ASSOCIATION FAILS TO PAY FOR ANY PART OR THE FULL AMOUNT OF THESE CHARGES.

RECEIPTS FOR TRIP TO LOS ANGELES, CA
MAY 23-25, 2017 – KIMBERLY J. BECKER

CHECK: 2972
TABLE: 40/2
SERVER: 206 SANDRA
DATE: MAY23'17 12:29PM
CARD TYPE: Master Card
ACCT #: XXXXXXXXXXXX[redacted]
EXP DATE: XX/XX
AUTH CODE: 07605Z
KIMBERLY BECKER

SUBTOTAL: 21.21

Gratuity ____________

Total ____________

Signature ____________

Grand Cafe @ Omni Los Angeles
(213) 356-4155 See you soon!!!!
Try our Weekend Brunch

206 SANDRA 1

40/2 2972
MAY23'17 11:33AM

1	Iced Tea	3.50
1	Cobb Chix	16.00
	Subtotal	19.50
	Tax	1.71
	Total Due	$21.21

Gratuity 4 –

Total 25.21

Room No. ____________

Print Name ____________

Signature Kbeyg J Be
(gratuity at your discretion)
Grand Cafe @ Omni Los Angeles

For your convenience we are
providing the following
gratuity calculations:

15% is $3.18
18% is $3.82
20% is $4.24

LUNCH
5/23/17

*** IN ROOM DINING ***
VISIT OUR RESTAURANTS & LOUNGE
3RD FLOOR NOE LOUNGE OPEN AT 3PM
108 Laura

1319/1 2514 GST
1
MAY23'17 6:42PM

1	Bolognese	28.00
1	Diet coke	6.00
	Subtotal	34.00
	15.5% Srvc Chrg	5.27
	Tax	3.44
	Total Due	$42.71

Gratuity 6.50

Total 49.21

Room No. ____________

Print Name ____________

Signature Kbeyg J Be
15.5% Service Charge Included
www.omniroomservice.com

DINNER
5/23/17

ACC

ACI NORTH AMERICA
AIRPORTS COUNCIL INTERNATIONAL

AGC of America
THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA
Quality People. Quality Projects.

AIRPORT CONSTRUCTION STRATEGY SUMMIT: DELIVERING GREAT PROJECTS AT YOUR AIRPORT

May 23-24, 2017 • Omni at California Plaza • Los Angeles, California

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Tuesday, May 23, 2017

12:00pm – 5:00pm **Registration**

1:00pm – 1:10pm **Welcome and Introduction**

1:10pm – 2:30pm **Defining the Spectrum of Project Delivery Options and their Implications for Your Project**
What are the alternatives to traditional project delivery methods and what problems are we trying to fix with them? In this session, get the latest information on what alternative delivery methods encompass and why these methods could be right (or wrong) for your next project.

Speakers: Mike Kenig, Vice Chairman, Holder Construction
Geoff Neumayr, Chief Development Officer, San Francisco International Airport

2:30pm – 3:00pm **Afternoon Break**

3:00pm-3:45pm **Do Changes in DC Mean Anything for Airport Project Delivery?**
Infrastructure has been a central concern of the Trump Administration—both during last year's campaign season and during the Administrations first few months in office. How does the rhetoric match up with actions? What are the implications for capital program management and delivery?

Moderator: Matt Griffin, Director of Regulatory Affairs and Education, ACC

Speakers: Jeff Shoaf, Senior Executive Director-Government Affairs, AGC
Annie Russo, Vice President-Government Affairs, ACI-NA

3:45pm – 5:00pm **Public-Private Partnerships and Project Delivery—What are the Benefits & Risks?**
Public-private partnerships, or P3s, are one method that airport operators—and other infrastructure providers—have turned to for large, complex projects in order to manage construction and project financing risks. In this session, we'll discuss when projects are ripe for a P3 and what you need to be aware of if you pursue one.

Moderator: Steve Morris, Jacobs

Speakers: Roger Johnson, Deputy Executive Director-Airports Development, Los Angeles World Airports

Jeff Shoaf, Senior Executive Director-Government Affairs, AGC

Matt Ross, Vice President, AvAirPros

5:15pm – 6:30pm **Summit Reception**

Wednesday, May 24, 2017

7:30am – 3:00pm **Registration**

7:30am – 8:30am **Continental Breakfast**

8:30am – 9:45am **Effective Project Delivery Leadership and Culture**
Great projects aren't built in a day and neither are great project teams. In this session, learn about what you can do to foster shared visions for success, effective project leadership and management, and an "ownership" culture on your projects.

Moderator: Ron Peckham, C&S Companies

Speakers: Bob Bolton, Director, Airport Design and Construction, San Diego County Regional Airport Authority

Dwight Pullen, Senior Vice President of Aviation, Skanska

Diego Rincon, Deputy Director of Aviation-Capital Development, Philadelphia International Airport

Frank Rucker, Assistant General Manager-Planning and Development, Hartsfield- Jackson Atlanta International Airport

9:45am – 10:30am **An Essential Asset—Strategies for Engaging DBEs in All Types of Project Delivery**
Alternative project delivery methods carry with them different sets of challenges and opportunities for airport disadvantaged business enterprises (DBEs). In this session, we'll discuss how owners, project teams, and their DBE partners can effectively work together to advance DBE program goals while at the same time realizing excellent project outcomes.

Moderator: Kaven Swan, HOK

Speakers: Priscilla Chavez, PCL Construction Services, Inc.

10:30am – 10:45am **Morning Break**

ACC

ACI NORTH AMERICA AIRPORTS COUNCIL INTERNATIONAL

AGC of America THE ASSOCIATED GENERAL CONTRACTORS OF AMERICA Quality People. Quality Projects.

10:45am – 12:00pm **Building the Case for Projects and Delivery Methods—Working with Your Key Stakeholders**
Long before design and construction begin, you have to justify your capital projects and their delivery methods to your Board, your airlines, your tenants, and even the communities that you serve. Join us for an interactive panel discussion about how to engage these parties successfully and move your capital projects forward.

Moderator: Peter Aarons, HNTB

Speakers: Robert Gilbert, Chief Development Officer, Los Angeles World Airports
Frank Miller, Executive Director, Burbank-Glendale-Pasadena Airport Authority
Hans Thilenius, Director, Corporate Real Estate-Design & Construction, United Airlines

12:00pm – 1:15pm. **Lunch**

1:15pm – 2:30pm **Turning Hard-Earned Lessons into Great Projects**
Change is inevitable during the project delivery. This session will explore when disruptive change has impacted projects and how the project teams navigated through the process to deliver great projects.

Moderator: Frank Giunta, Hill International

Speakers: Greg Campbell, Chief Airports Engineer, Los Angeles World Airports
Kevin Robins, Director of Engineering Salt Lake City Department of Airports
Richard Smyth, LaGuardia Airport Project Director, Port Authority of New York & New Jersey

2:30pm – 3:00pm **Afternoon Break**

3:00pm – 4:15pm **Project Delivery Roundtable**
Join a group of experienced capital program managers and designers for an interactive discussion of how project delivery challenges are being addressed in some of the most complex airport projects underway in the US today.

Moderator: Chris Oswald, ACI-NA

4:15pm – 4:45pm **What's Next for the Industry?**
Be part of charting the course for ACI-NA's, ACC's and AGC's future work in the area of airport capital project delivery in this concluding session.

Speakers: Mike Kenig, Vice Chairman, Holder Construction
Geoff Neumayr, Chief Development Officer, San Francisco International Airport

Thursday, May 25, 2017

7:30am – 11:00am **Tour at Los Angeles International Airport**
Early risers can join us for a tour of select projects and facilities at Los Angeles International Airport. A bus will leave from the airport lobby at 7:30 for a tour of recent terminal, airfield, and support facilities at the airport. The tour itself will commence at 9 am and will conclude by 11 am. Please note that transportation back to the hotel will not be provided following the tour. The tour will be available on a first-come, first-served basis to up to 25 participants. You can sign up for the tour during conference registration.

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TRAVEL EXPENSE REPORT - Board Members

(To be completed within 30 days from travel return date)

Board member name: C. April Boling

Departure Date: 5/3/2017 **Return Date:** 5/7/2017 **Report Due:** 6/6/17

Destination: Zurich, Switzerland - Attend Night in San Diego Reception with Edelweiss

Please refer to the Authority Travel and Lodging Expense Reimbursement Policy, Article 3, Part 3.4, Section 3.40, outlining appropriate reimbursable expenses and approvals. Please attach all required supporting documentation. All receipts must be detailed, (credit card receipts do not provide sufficient detail). Any special items should be explained in the space provided below.

[5] Business Expense Reimbursement Policy 3.30 [4] Travel and Lodging Expense Reimbursement Policy 3.40

	Authority Expenses (Prepaid by Athty)	SUNDAY 5/15/17	MONDAY	TUESDAY	WEDNESDAY 5/3/17	THURSDAY 5/4/17	FRIDAY 5/5/17	SATURDAY 5/6/17	TOTALS
Daily PerDiem Limitations:									
**GSA Daily Hotel Rate or Conference Hotel Rate						344.00	344.00	344.00	
**GSA Daily Meals, Entertainment & Incidentals (ME&I)						185.00	185.00	185.00	
Air Fare, Railroad, Bus *(attach copy of itinerary w/charges)*					1,300.33				1,300.33
Conference Fees *(provide copy of flyer/registration expenses)*									0.00
Rental Car									0.00
Gas and Oil									0.00
Garage/Parking									0.00
Mileage - attach mileage form									0.00
Taxi/Shuttle Fare *(include tips pd.) To/From meetings, airport, etc.*		29.13							29.13
Hotel - Actual Expense Paid - **Excluding Taxes**						221.50	221.50	221.50	
Allowable Hotel (Lessor of Actual or GSA Allowance)		0.00	0.00	0.00	0.00	221.50	221.50	221.50	664.50
Hotel Taxes Paid									0.00
Telephone, Internet and Fax									0.00
Laundry									0.00
Meals, Entertainment & Incidentals (M,E&I):									
Meals (include tips pd.) — Breakfast									
Lunch							20.76	20.34	
Dinner						60.47		26.93	
Other Meals									
Entertainment (Hospitality)[1]									
Tips Paid to Maids, Bellhops and other hotel servers									
Taxi/Shuttle Fare *(include tips pd.) To/From meal destinations*									
Total Meals, Entertainment & Incidentals		0.00	0.00	0.00	0.00	60.47	20.76	47.27	
GSA Allowance for M,E&I (from above)		0.00	0.00	0.00	0.00	185.00	185.00	185.00	
Allowable M,E&I (Lessor of Actual or GSA Allowance)		0.00	0.00	0.00	0.00	60.47	20.76	47.27	128.50
Alcohol is a non-reimbursable expense									0.00
Miscellaneous:									0.00
									0.00
									0.00
Total Expenses	0.00	29.13	0.00	0.00	1,300.33	281.97	242.26	268.77	2,122.46

*Lyft fare on 5/15/17 (Return to S.D.)

Grand Trip Total	2,122.46
Less Cash Advance (attach copy of Authority ck)	
Less Expenses Prepaid by Authority	0.00
Due Traveler - If positive amount, prepare check request **Due Authority** - if negative, attach check payable to SDCRAA	2,122.46

Note: Send this report to Accounting even if the amount is $0.

Alcohol is a non-reimbursable expense

[1] *Give names and business affiliations of all persons whose meals were paid by traveler.*

Failure to attach required documentation will result in the delay of processing reimbursement. If you have any

I as traveler or administrator acknowledge that I have read, understand and agree to Authority policies 3.40 - Travel and Lodging Expense Reimbursement Policy[4] and 3.30 - Business Expense Reimbursement Policy[5] and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of travel expenses were incurred in connection with official Authority business and is true and correct.

Prepared By: Linda Gehlken (Print/Type Name) Ext.: x2557

Traveler Signature: [signature] Date: 6-1-17

Administator's signature: ______ Date: ______

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE (To be completed by Clerk)

I, ______ hereby certify that this document was approved by the Executive Committee at it's meeting on ______.

Clerk Signature: ______ Date: ______

April Boling Zurich, Switzerland – Edelweiss/San Diego Inaugural Reception

Airfare	1,260.33
Agent Fee	40.00
AirBnB (886.00 x 3/4)	664.50
Dinner	60.47
Lunch	20.76
Lunch	20.34
Dinner	26.93
Lyft Ride from Airport Home	29.13
TOTAL	2,122.46

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A All travel requests must conform to applicable provisions of Policies 3.30 and 3.40

B Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1 TRAVELER:

Travelers Name: April Boling Dept: 2

Position ☑ Board Member ☐ President/CEO ☐ Gen. Counsel ☐ Chief Auditor

☐ All other Authority employees (does not require executive committee administrator approval)

2 DATE OF REQUEST 4/12/17 PLANNED DATE OF DEPARTURE/RETURN: 5/3/17 / 5/7/17

3 DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):

Destination: Zurich, Switzerland

Purpose: Attend Night In San Diego Reception with Edelweiss

Explanation:

4 PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A TRANSPORTATION COSTS:	
• AIRFARE	$ 1400.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	$ 200.00
B LODGING	$ 1032.00
C. MEALS	$ 555
D. SEMINAR AND CONFERENCE FEES	$
E ENTERTAINMENT (If applicable)	$
F OTHER INCIDENTAL EXPENSES	$
TOTAL PROJECTED TRAVEL EXPENSE	$ 3187.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature [signature] Date 4/11/17

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required)

By my signature below, I certify the following

1 I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.

2 The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.

3 The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40

Administrator's Signature: [signature] Date: 4/13/17

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, ________________________, hereby certify that this document was approved

(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its ________________ meeting.

(Leave blank and we will insert the meeting date.)

Traveltrust Corporation
374 North Coast Hwy 101, Suite F
Encinitas, CA 92024
Phone: (760) 635-1700

TRAVELTRUST

ADD TO OUTLOOK

Friday, 14APR 2017 04:39 PM EDT

Passengers: CATHERINE APRIL BOLING (02)

Agency Reference Number: EXZCLR

Click here to view your current itinerary or ETicket receipt on-line: tripcase.com [redacted]

United Airlines Confirmation JXRJGQ

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt
Be sure to visit www.traveltrust.com for additional travel information

TRAVELTRUST STRONGLY RECOMMENDS CHECKING IN
ONLINE WITH YOUR AIRLINE AT LEAST 24 HOURS PRIOR TO
EACH FLIGHT FOR THE MOST CURRENT TIMES AND ALERTS

FOR TRAVEL TO SWITZERLAND A US CITIZEN
MUST HAVE A VALID PASSPORT
****

YOU CANNOT TRAVEL OUT OF THE UNITED STATES IF YOUR US
PASSPORT EXPIRES WITHIN 6 MONTHS OF YOUR DEPARTURE DATE
YOUR INTERNATIONAL TRAVEL MAY REQUIRE VACCINATIONS [redacted]
PLEASE CHECK WWW.CDC.GOV FOR LATEST REQUIREMENTS
****

CERTAIN FARES MAY REQUIRE REISSUANCE AT TIME OF
CANCELLATION. PLEASE CONTACT THE AIRLINE OR TRAVELTRUST
AN ESTA MUST BE OBTAINED FOR TRAVEL TO THE USA
BEFORE TRAVEL PLEASE MAKE SURE YOUR PASSPORT
WILL NOT EXPIRE WITHIN 6 MONTHS OF YOUR DEPARTURE DATE
****

WHEN RENTING A CAR PLEASE PROVIDE BOTH PARTS OF YOUR
DRIVING LICENSE UPON VEHICLE COLLECTION
YOUR INTERNATIONAL TRAVEL MAY REQUIRE VACINATIONS
PLEASE CHECK WWW.CDC.GOV FOR LATEST REQUIREMENTS
****

CERTAIN FARES MAY REQUIRE REISSUANCE AT TIME OF
CANCELLATION. PLEASE CONTACT THE AIRLINE OR TRAVELTRUST [redacted]
FOR MORE INFORMATION
****

AIR **Wednesday, 3MAY 2017**

United Airlines	**Flight Number:** 0736	Class: L-Coach/Economy
From: San Diego CA, USA	**Depart:** 04:56 PM	
To: San Francisco CA, USA	**Arrive:** 06:30 PM	
Stops: Nonstop	Duration: 1 hour(s) 34 minute(s)	
	Status: CONFIRMED	Miles: 436 / 698 KM

Equipment: Boeing 737-800 Jet
DEPARTS SAN TERMINAL 2 - ARRIVES SFO TERMINAL 3
Frequent Flyer Number:[redacted]
SEAT 35A - WINDOW SEAT CONFIRMED

United Airlines Confirmation number is JXRJGQ

AIR **Wednesday, 3MAY 2017**

United Airlines
Operated By: SWISS
CHKIN-SFO-ZRH CHECK-IN WITH SWISS INTERNATIONAL

Flight Number: 9725

Class: L-Coach/Economy

From: San Francisco CA, USA
To: Zurich, Switzerland
Stops: Nonstop

Depart: 08:10 PM
Arrive: 04:00 PM 4MAY
Duration: 10 hour(s) 50 minute(s)
Status: CONFIRMED

Miles: 5826 / 9322 KM

Equipment: Boeing 777 Jet 200/300

MEAL: MEALS

DEPARTS SFO INTERNATIONAL TERMINAL
Frequent Flyer Number: [redacted]
SEAT ASSIGNMENT AIRPORT CHECKIN ONLY
United Airlines Confirmation number is JXRJGQ

AIR **Monday, 15MAY 2017**

United Airlines
Operated By: SWISS
CHKIN-ZRH-LAX CHECK-IN WITH SWISS INTERNATIONAL

Flight Number: 9730

Class: L-Coach/Economy

From: Zurich, Switzerland
To: Los Angeles CA, USA
Stops: Nonstop

Depart: 01:10 PM
Arrive: 04:20 PM
Duration: 12 hour(s) 10 minute(s)
Status: CONFIRMED

Miles: 5925 / 9480 KM

Equipment: Boeing 777 Jet 200/300

MEAL: MEALS

ARRIVES LAX TERMINAL TOM BRADLEY INTL TERM
Frequent Flyer Number: [redacted]
SEAT ASSIGNMENT AIRPORT CHECKIN ONLY
United Airlines Confirmation number is JXRJGQ

AIR **Monday, 15MAY 2017**

United Airlines
Operated By: /SKYWEST DBA UNITED EXPRESS

Flight Number: 5725

Class: L-Coach/Economy

From: Los Angeles CA, USA
To: San Diego CA, USA
Stops: Nonstop

Depart: 06:55 PM
Arrive: 07:52 PM
Duration: 0 hour(s) 57 minute(s)
Status: CONFIRMED

Miles: 98 / 157 KM

Equipment: CRJ-700 Canadair Regional Jet
DEPARTS LAX TERMINAL 7 - ARRIVES SAN TERMINAL 2
Frequent Flyer Number: [redacted]
SEAT 14A - WINDOW SEAT CONFIRMED
United Airlines Confirmation number is JXRJGQ

A PORTION OF THIS TRIP MAY BE REFUNDABLE. PLEASE RETURN UNUSED PORTIONS TO TRAVELTRUST FOR POSSIBLE REFUND.
UNITED AIRLINES CONFIRMATION NUMBER - JXRJGQ
FOR EMERGENCY SERVICE FROM UNITED STATES - 888-221-6043
FOR EMERGENCY SERVICE FROM SWITZERLAND - 00-800-7373-7882

Ticket/Invoice Information

Ticket for: CATHERINE APRIL BOLING
Ticket Nbr: UA7964116877 Electronic Tkt: No Amount: 1260.33 [redacted]
Base: 898.47 Tax: 361.86

Charged to: VI*************[redacted]

Service fee: CATHERINE APRIL BOLING
Date issued: 4/14/2017
Document Nbr: XD0703441118 Amount: 40.00
Charged to: VI*************[redacted]

Total Tickets:	1260.33
Total Fees:	40.00
Total Amount:	1300.33

Click here 24 hours in advance to obtain boarding passes:
UNITED

Click here to review Baggage policies and guidelines:
UNITED

Check operating carrier website for any policies that may vary.

TSA Guidance- a government issued photo id is needed for checkin.
Please allow minimum 3 hour check-in for International flights and 2 hours for Domestic.
For Additional security information visit www.tsa.gov.

Thank you for choosing Traveltrust.
Our Business Hours are 2am-5:30pm Pacific Monday - Friday
Saturday from 9am-1pm Pacific

DIPLOMACY IN ACTION

Office of Allowances

Foreign Per Diem Rates In U.S. Dollars

Country: SWITZERLAND
Publication Date: 05/01/2017

Previous Rates: 05/01/2017 Go

Country Name	Post Name	Season Begin	Season End	Maximum Lodging Rate	M & IE Rate	Maximum Per Diem Rate	Footnote	Effective Date
SWITZERLAND	Bad Ragaz	01/01	12/31	390	150	540	N/A	01/01/2017
SWITZERLAND	Basel	01/01	12/31	225	159	384	N/A	01/01/2017
SWITZERLAND	Bern	01/01	12/31	274	151	425	N/A	01/01/2017
SWITZERLAND	Davos	01/01	12/31	322	175	497	N/A	01/01/2017
SWITZERLAND	Geneva	01/01	12/31	308	152	460	N/A	01/01/2017
SWITZERLAND	Klosters	01/01	12/31	265	166	431	N/A	01/01/2017
SWITZERLAND	Lugano	01/01	12/31	245	160	405	N/A	01/01/2017
SWITZERLAND	Montreux	01/01	12/31	324	143	467	N/A	01/01/2017
SWITZERLAND	Other	01/01	12/31	221	147	368	N/A	01/01/2017
SWITZERLAND	Zurich	01/01	12/31	344	185	529	N/A	01/01/2017

airbnb

Airbnb, Inc.
888 Brannan Street
San Francisco, CA 94103

Receipt: 4 nights in Zürich, Switzerland

[redacted]
Thursday, Apr 13, 2017

Accepted
HMPRNKQ42J

Check In
May 4, 2017
>
Check Out
May 8, 2017

Entire home/apt

City center — Bahnhofstrasse and Rennweg in 50 mt!
Augustinergasse 15
Zürich, Zürich 8001
Switzerland

Hosted by Glib Antonov
Phone: +41 76 280 68 24

2 Travelers on this trip

[redacted]
April Boling

Charges

$183 × 4 nights	$732
Cleaning fees	$61
Service Fee	$93
Total	**$886**

(Reimbursing 3 nights)
$664.50

Payment

Charged to VISA •••• [redacted] April 13, 2017	$886
Balance	**$0**

Add billing details

Cost per traveler
This trip was **$111** per person, per night, including taxes and other fees.

Need help?

Visit the Help Center for any questions.
(https://www.airbnb.com/help)

HMPRNKQ42J
Booked by **Lance Liquidgrey**
Thursday, Apr 13, 2017

Cancellation policy: Strict. Certain fees and taxes may be non-refundable. See here for more details. (https://www.airbnb.com/home/cancellation_policies#strict)

A 3% conversion fee was applied to this booking.

Airbnb Payments, Inc. ("Airbnb Payments") is a limited payment collection agent of your Host. This means that upon your payment of the Total Fees to Airbnb Payments, your payment obligation to your Host is satisfied. Refund requests will be processed in accordance with: (i) the Host's cancellation policy (available on the Listing); or (ii) Airbnb Payment's Guest Refund Policy Terms, available at https://www.airbnb.com/terms. Questions or complaints: contact Airbnb Payments at 855-4-AIRBNB (855-424-7262)

Airbnb Payments, Inc.
888 Brannan Street
San Francisco, CA 94103

Need help? Visit the Help Center, email us or call (800) 024 7626.

WIDDER HOTEL
Rennweg 7
CH - 8001 Zürich
Tel. +41 (0)44 224 25 26
www.widderhotel.ch

Zwischenrechnung

Rechnung	Uhrzeit	Datum	Tisch	Partei	Service
	21:24:12	04.05.17	54	1	11

1 Mineral ohne	6.00
3 dl Tellus Falesco WINE	24.00
1 Grosse Piece	41.00
1 Gemischter Salat	7.00
1 Fleischkäse Jäger KL	8.00
1 Grosse Piece	34.00
1 Grüne Bohnen	7.00

Summe CHF 127.00

F 41.00
7.00
7.00
55.00 FRANCS (FRS)
5.00 TIP
Tip: 60.00 FRANCS (CHS)
(1.00785) = $ 60.47 DOLLARS
Sig

inkl. 8.0% MWST
CHE-108.239.887 MWST
Herzlichen Dank für Ihren Besuch

Es bediente Sie: Sebastian Ekert

(WIDDER HOTEL
RENWEG 7)

OANDA

Currency Converter

CHF/USD for the 24-hour period ending **Thursday, May 4, 2017** 22:00 UTC @ +/- 0%

Currency I Have:
60.00 CHF

Currency I Want:
60.4711 USD

CHF/USD Details

CHF/USD for the 24-hour period ending **Thursday, May 4, 2017** 22:00 UTC @ +/- 0%

Selling 60.0000 **CHF** → you get 60.4711 **USD**
Buying 60.0000 **CHF** → you pay 60.4827 **USD**

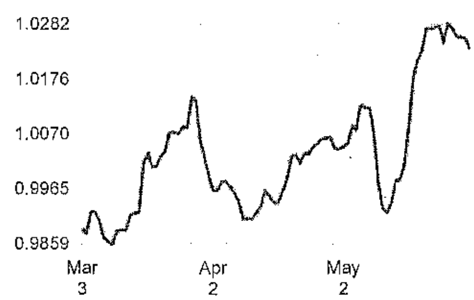
Rate Details

CHF/USD for the 24-hour period ending
Thursday, May 4, 2017 22:00 UTC

	Bid Sell 1 CHF	Ask Buy 1 CHF
MIN	1.00421	1.00436
AVG	**1.00785**	1.00804
MAX	1.01377	1.01399

Recent Trends

CHF/USD average daily bid prices
Last 90 days



Take trusted OANDA Rates™ with you on your travels

fold

CHF/USD OANDA
Interbank Rate +/- 0%
May 5, 2017

CHF	USD	CHF	USD	CHF	USD
1	1.01	15	15.12	45	45.35
2	2.02	20	20.16	50	50.39
3	3.02	25	25.20	100	100.79
4	4.03	30	30.24	250	251.96
5	5.04	35	35.27	500	503.93
10	10.08	40	40.31	1,000	1,007.85

USD/CHF OANDA
Interbank Rate +/- 0%
May 5, 2017

USD	CHF	USD	CHF	USD	CHF
1	0.99	15	14.88	45	44.64
2	1.98	20	19.84	50	49.60
3	2.98	25	24.80	100	99.20
4	3.97	30	29.76	250	248.01
5	4.96	35	34.72	500	496.01
10	9.92	40	39.68	1,000	992.02

fold

JUICE MARKET

Augustinergasse 41, 8001 Zürich
T. 044 211 69 33
CHE-108.381.048 MWST

RECHNUNG

Tisch:	16/01	
Bediener:	Danis Juice Market	
R.46734	05.05.2017	11:01

2x Karotte,Ananas,A	CHF 9.50	CHF 19.00 (1)
1x bagel tomaten mo	CHF 10.00	CHF 10.00

Total: CHF 29.00

Inkl. 8.0% MwSt. CHF 2.15
Netto CHF 26.85

Bar	**CHF29.00**
Gegeben:	CHF 29.00
Wechselgeld:	CHF 0.00

Feiern Sie ihr Fest oder
Apéro bei uns im Juice Market
www.juice-market.ch

9.50
10.00
19.50 FRANCS (CHS)
1.00 TIP
20.50 CHS
(1.01265) = $20.76 DOLLARS

(JUICE MARKET)

OANDA

Currency Converter

CHF/USD for the 24-hour period ending **Friday, May 5, 2017** 22:00 UTC @ +/- 0%

Currency I Have:
20.50 CHF

Currency I Want:
20.7593 USD

CHF/USD Details

CHF/USD for the 24-hour period ending **Friday, May 5, 2017** 22:00 UTC @ +/- 0%

Selling 20.5000 **CHF** → you get 20.7593 **USD**
Buying 20.5000 **CHF** → you pay 20.7626 **USD**

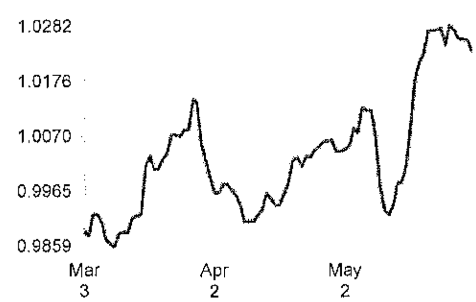
Rate Details

CHF/USD for the 24-hour period ending
Friday, May 5, 2017 22:00 UTC

	Bid Sell 1 CHF	Ask Buy 1 CHF
MIN	1.00942	1.00985
AVG	**1.01265**	1.01281
MAX	1.01420	1.01468

Recent Trends

CHF/USD average daily bid prices
Last 90 days



Take trusted OANDA Rates™ with you on your travels

fold

CHF/USD OANDA
Interbank Rate +/- 0%
May 6, 2017

CHF	USD	CHF	USD	CHF	USD
1	1.01	15	15.19	45	45.57
2	2.03	20	20.25	50	50.63
3	3.04	25	25.32	100	101.27
4	4.05	30	30.38	250	253.16
5	5.06	35	35.44	500	506.32
10	10.13	40	40.51	1,000	1,012.65

USD/CHF OANDA
Interbank Rate +/- 0%
May 6, 2017

USD	CHF	USD	CHF	USD	CHF
1	0.99	15	14.81	45	44.43
2	1.97	20	19.75	50	49.37
3	2.96	25	24.68	100	98.74
4	3.95	30	29.62	250	246.84
5	4.94	35	34.56	500	493.68
10	9.87	40	39.49	1,000	987.35

fold

SANTA LUCIA

Marktgasse 21
8001 Zürich
TELEFON 044 262 36 26
TELEFAX 044 262 36 29
CHE-106.104.874 MWST

#0002 Kasse 2 06-05-2017

Rechnung 2021817

TAVOLA 3
Gästezahl 2

1 Aqua Panna 50cl	5.50	*5.50
[redacted]		
1 P. Quattro-stagio	22.00	*22.00
Zwischensumme		*36.50

Total Bar	***36.50**
Total Euro	*35.10
Euro-Soll	*35.10
Mwst 8.0% Total	*36.50
Mwst 8,0%	*2.70

GRAZIE DELLA LORO VISITA

4-ALI

ALI 00081273 00:08

5.50
11.00
16.50
2.00 TIP
18.50 EURO
(1.099.39)=$20.34
DOLLARS

INFORECHNUNG

Restaurant Park am Rheinfall

Rheinfall Gastronomie AG
Rheinfallquai 5
8212 Neuhausen
Tel. 052 672 18 21

Rechnung 6. 5.2017
16:07

Tisch 13

1 x Rindsge. Hörnli	22.50	22.50
1 xBratwurst Pommes	21.50	21.50
1 x50cl Rhf Wasser ohne	6.20	6.20

MwSt: 8 % 3.72

Summe CHF 50.20
in Euro 50.20

Name: ______

Unterschrift: ______
inkl. MwSt / CHE-259.137.944 MWST
Vielen Dank für Ihren Besuch!
Es bediente Sie: Radenka Divljak

22.60
2.00 TIP
24.50 EUROS
(1.09939)=$26.93
DOLLARS

(SANTA LUCIA)

OANDA

Currency Converter

EUR/USD for the 24-hour period ending **Saturday, May 6, 2017** 22.00 UTC @ +/- 0%

Currency I Have:
18.50 EUR

Currency I Want:
20.3387 USD

EUR/USD Details

EUR/USD for the 24-hour period ending **Saturday, May 6, 2017** 22.00 UTC @ +/- 0%

Selling 18.5000 **EUR** → you get 20.3387 **USD**
Buying 18.5000 **EUR** → you pay 20.3572 **USD**

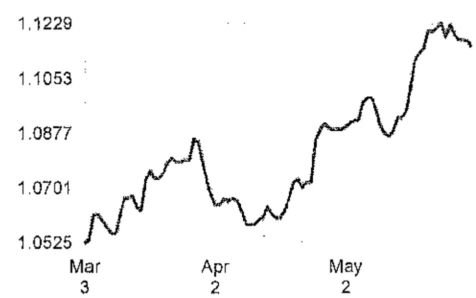
Rate Details

EUR/USD for the 24-hour period ending
Saturday, May 6, 2017 22.00 UTC

	Bid Sell 1 EUR	Ask Buy 1 EUR
MIN	1.09939	1.10039
AVG	**1.09939**	1.10039
MAX	1.09939	1.10039

Recent Trends

EUR/USD average daily bid prices
Last 90 days



Take trusted OANDA Rates™ with you on your travels

fold

EUR/USD OANDA
Interbank Rate +/- 0%
May 7, 2017

EUR	USD	EUR	USD	EUR	USD
1	1.10	15	16.49	45	49.47
2	2.20	20	21.99	50	54.97
3	3.30	25	27.48	100	109.94
4	4.40	30	32.98	250	274.85
5	5.50	35	38.48	500	549.70
10	10.99	40	43.98	1,000	1,099.39

USD/EUR OANDA
Interbank Rate +/- 0%
May 7, 2017

USD	EUR	USD	EUR	USD	EUR
1	0.91	15	13.63	45	40.89
2	1.82	20	18.18	50	45.44
3	2.73	25	22.72	100	90.88
4	3.64	30	27.26	250	227.19
5	4.54	35	31.81	500	454.38
10	9.09	40	36.35	1,000	908.77

fold

OANDA

RESTAURANT PARK
OF RHEINFALL

Currency Converter

EUR/USD for the 24-hour period ending **Saturday, May 6, 2017** 22.00 UTC @ +/- 0%

Currency I Have:
24.50 EUR

Currency I Want:
26.9351 USD

EUR/USD Details

EUR/USD for the 24-hour period ending **Saturday, May 6, 2017** 22.00 UTC @ +/- 0%

Selling 24.5000 **EUR** → you get 26.9351 **USD**
Buying 24.5000 **EUR** → you pay 26.9596 **USD**

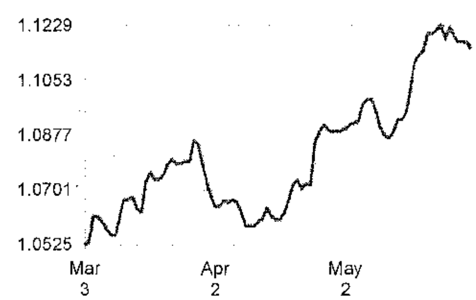
Rate Details

EUR/USD for the 24-hour period ending
Saturday, May 6, 2017 22 00 UTC

	Bid Sell 1 EUR	Ask Buy 1 EUR
MIN	1.09939	1.10039
AVG	**1.09939**	1.10039
MAX	1.09939	1.10039

Recent Trends

EUR/USD average daily bid prices
Last 60 days



Take trusted OANDA Rates™ with you on your travels

fold

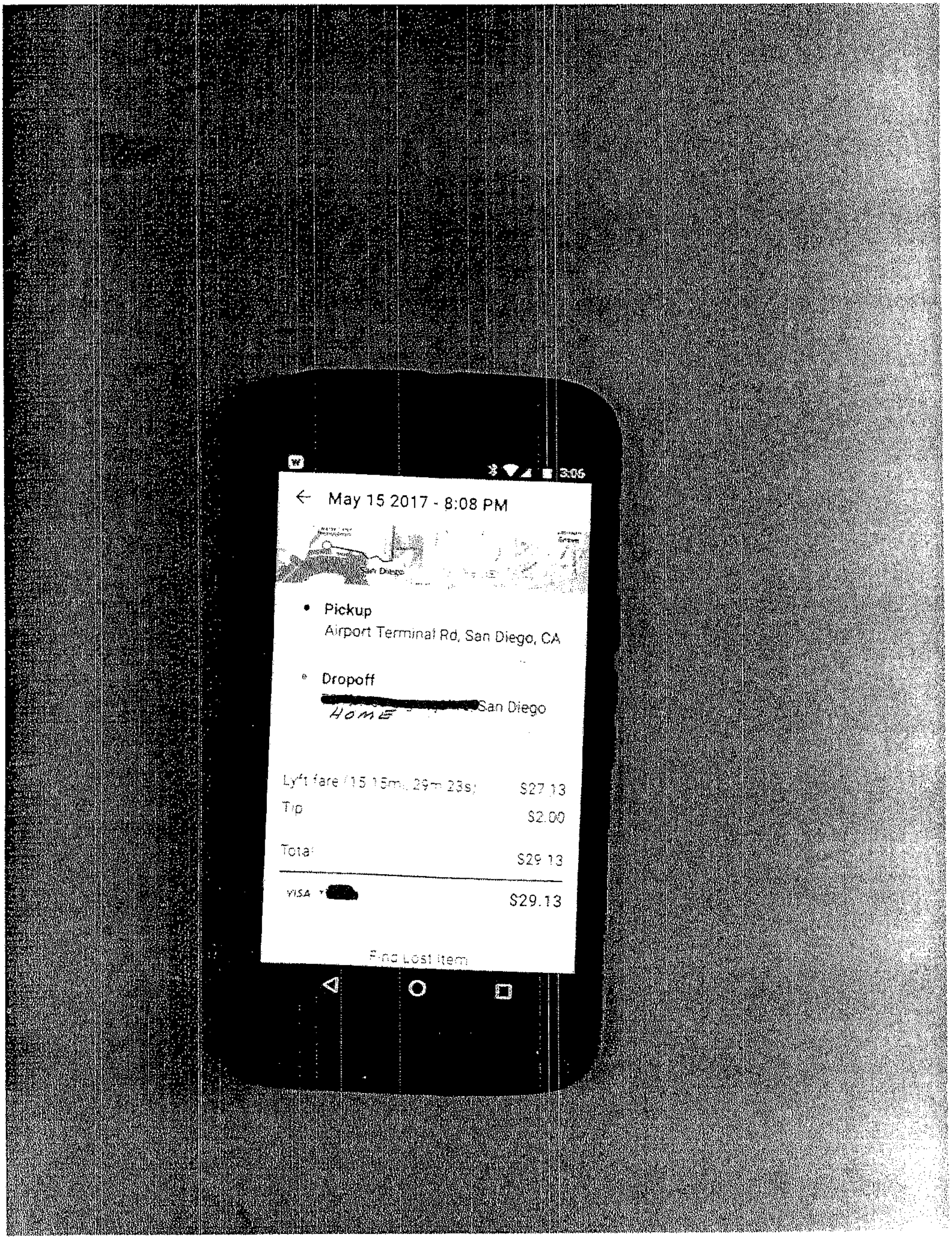
EUR/USD — OANDA
Interbank Rate +/- 0%
May 7, 2017

EUR		USD	EUR		USD	EUR		USD
1	›	1.10	15	›	16.49	45	›	49.47
2	›	2.20	20	›	21.99	50	›	54.97
3	›	3.30	25	›	27.48	100	›	109.94
4	›	4.40	30	›	32.98	250	›	274.85
5	›	5.50	35	›	38.48	500	›	549.70
10	›	10.99	40	›	43.98	1,000	›	1,099.39

USD/EUR — OANDA
Interbank Rate +/- 0%
May 7, 2017

USD		EUR	USD		EUR	USD		EUR
1	›	0.91	15	›	13.63	45	›	40.89
2	›	1.82	20	›	18.18	50	›	45.44
3	›	2.73	25	›	22.72	100	›	90.88
4	›	3.64	30	›	27.26	250	›	227.19
5	›	4.54	35	›	31.81	500	›	454.38
10	›	9.09	40	›	36.35	1,000	›	908.77

fold


3:06
May 15 2017 - 8:08 PM
San Diego
Pickup
Airport Terminal Rd, San Diego, CA
Dropoff
[redacted] San Diego
HOME
Lyft fare (15.15mi, 29m 23s) $27.13
Tip $2.00
Total $29.13
VISA [redacted] $29.13
Find Lost Item

BUSINESS EXPENSE

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2017

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

EMPLOYEE NAME	PERIOD COVERED
C. April Boling	May
DEPARTMENT/DIVISION	

Date	Miles driven	Destination and purpose of trip	Parking fees & other transportation costs paid	$$$
5/1/17	29.40	Port/Port Leadership Mtg.		
5/1/17	29.40	Airport/Condor Inaugural Event		
5/2/17	27.40	Stone Brewery Restaurant/Condor Airlines Flight Launch Event		
5/2/17	4.00	Airport from Stone Brewery/Meet w/Kim Becker		
5/17/17	29.40	Airport/Federal Inspection Services (FIS) Groundbreaking		
5/18/17	29.40	Airport/Budget Workshop		
5/22/17	29.40	Airport/Exec/Finance Comm. Mtg.		
5/24/17	23.20	Cucina Urbana Restaurant/Meet w/Mark Cafferty re:Route Development		
5/25/17	30.20	Hard Rock Hotel/SD Taxpayers Assoc. Annual Golden Watchdog Awards Dinner		20.00
5/30/17	29.40	Airport/Meet w/Kim Becker re: FIS Update		
5/31/17	29.40	Airport/Meet w/Kim Becker re: Pre-Board Meeting Agenda		
5/31/17	5.00	Barbara Bry's Office from Airport/Meet & Greet w/Kim Becker		4.00
SUBTOTAL	295.60		SUBTOTAL	

Computation of Reimbursement

		295.60
REIMBURSEMENT RATE: (see below) *	**Rate as of January 2017** X	0.535
TOTAL MILEAGE REIMBURSEMENT		158.15
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)		24.00
TOTAL REIMBURSEMENT REQUESTED		$ 182.15

I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

Business Expense Reimbursement Policy 3.30

SIGNATURE OF EMPLOYEE	DEPT./DIV. HEAD APPROVAL

C. A. Boling
May parking fees

SD HARD ROCK HOTEL

Thank you!

751727

Cashier: DAVID DELOESTE
CheckIn D/T: 05/25/17 17:24
CheckOut D/T: 05/25/17 21:00
Duration Time: 3h 35m
Plate# 497 CA
Make/Model: LEXUS/ES 250
Color: RED
MA Acct# 090100170

Charge:	$20.00
Tax %0:	$0.00
Total:	$20.00
Amount Tend:	$20.00
Due:	$0.00

Provided at dais 6/26

TRAVEL REQUEST

KIMBERLY J BECKER

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:
Travelers Name: Kimberly J. Becker Dept: 6
Position: ☐ Board Member ☑ President/CEO ☐ Gen. Counsel ☐ Chief Auditor
☐ All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 6/22/17 PLANNED DATE OF DEPARTURE/RETURN: 10/1/17 / 10/3/17

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):
Destination: Las Vegas, NV Purpose: Attend AAAE National Airports Conference
Explanation: I am on the Airport Legislative Alliance Committee,which meets at this conference.

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:		
• AIRFARE	$	200.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	$	100.00
B. LODGING	$	682.00
C. MEALS	$	150.00
D. SEMINAR AND CONFERENCE FEES	$	610.00
E. ENTERTAINMENT (If applicable)	$	
F. OTHER INCIDENTAL EXPENSES	$	50.00
TOTAL PROJECTED TRAVEL EXPENSE	$	1792.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.
Travelers Signature: Kimy J Becker Date: 6/22/17

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).
By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: ______________________ Date: __________

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, ______________________, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)
by the Executive Committee at its ______________________ meeting.
(Leave blank and we will insert the meeting date.)

PAUL ROBINSON

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
OUT-OF-TOWN TRAVEL REQUEST

GENERAL INSTRUCTIONS:

A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.

B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

1. TRAVELER:

Travelers Name: Paul Robinson Dept: 2

Position: ☑ Board Member ☐ President/CEO ☐ Gen. Counsel ☐ Chief Auditor

☐ All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 06/22/2017 PLANNED DATE OF DEPARTURE/RETURN: 09/24/2017 / 09/27/2017

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):

Destination: Washington, DC Purpose: Attend Conference

Explanation: San Diego Regional Chamber of Commerce "Mission to Washington D.C."

4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES

A. TRANSPORTATION COSTS:		
• AIRFARE	$	700.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	$	150.00
B. LODGING	$	1,200.00
C. MEALS	$	215.00
D. SEMINAR AND CONFERENCE FEES	$	1,300.00
E. ENTERTAINMENT (If applicable)	$	
F. OTHER INCIDENTAL EXPENSES	$	50.00
TOTAL PROJECTED TRAVEL EXPENSE	$	$3,615.00

CERTIFICATION BY TRAVELER By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature: [signature] Date: 6/26/17

CERTIFICATION BY ADMINISTRATOR (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: [signature] Date: 6-26-17

AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE

I, ____________________, hereby certify that this document was approved
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)

by the Executive Committee at its ____________________ meeting.
(Leave blank and we will insert the meeting date.)

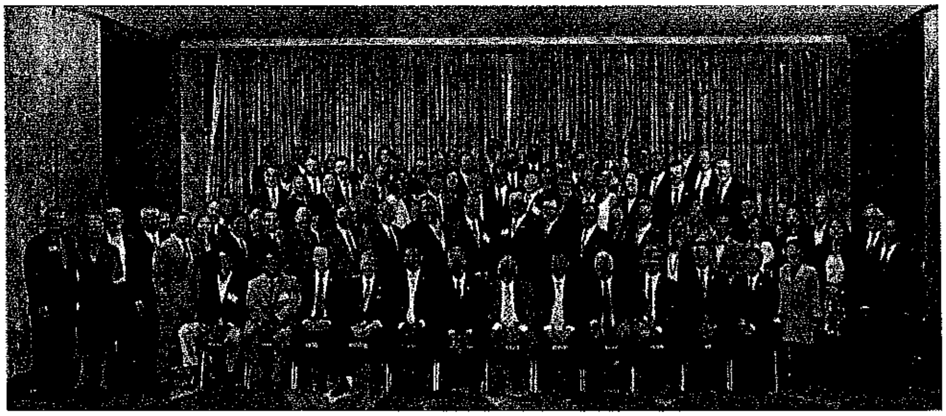
San Diego

(HTTP://SDCHAMBER.ORG/)

« All Events (http://sdchamber.org/events/)

MISSION TO WASHINGTON D.C.

September 24 @ 7:00 pm - September 27 @ 12:00 pm



Join the largest binational delegation to Washington, D.C. to voice your business needs and collaborate with San Diego's business leaders while meeting with the nation's top legislators and policy officials.

Attendees will have the unique opportunity to:

- **Participate in high-level meetings** with U.S. administration officials and agencies, such as Department of Transportation, U.S. Customs & Border Protection, Department of State, Housing & Urban Development and many others
- **Gain access** to our country's key decision makers and advocate for local and regional issues important to business growth and creation of jobs in the Cali-Baja region
- **Network and make invaluable connection**s elected officials on the local, state and federal level, as well as other community members

Mission Priorities: Transportation & Infrastructure • Healthcare • Energy & Water Reliability • International Trade & Cross Border Commerce • Defense & Veterans • Regulatory & Tax Reform

EVENT DETAILS

Date & Time: Sunday, September 24 (7:00 PM) – Wednesday, September 27 (12:00 PM), 2017

Location: The Mayflower Hotel, 1127 Connecticut Ave NW, Washington, DC 20036

Event Contact: Katie Tran | Ph: 619-544-1370 | Email: ktran@sdchamber.org (mailto:ktran@sdchamber.org)

Para obtener información sobre cómo asistir "Misión a Washington DC" favor de comunicarse con Zenia: kzamarripa@sdchamber.org (mailto:kzamarripa@sdchamber.org).
(mailto:ktran@sdchamber.org)

Click here (/wp-content/uploads/2016/02/Agenda-09-23.pdf) to view last year's trip itinerary.

San Diego

(HTTP://SDCHAMBER.ORG/)

HOTEL INFORMATION

The Mayflower Hotel (http://www.marriott.com/hotels/travel/wasak-the-mayflower-hotel-autograph-collection/)
1127 Connecticut Avenue, NW | Washington, D.C. 20036

We have secured a special room rate of $304++ per night for standard rooms between September 24-27, 2017. **Reserve online here (https://aws.passkey.com/event/49214914/owner/1261/home)** or **call 877-212-5752** and mention the "San Diego Regional Chamber" room block.

Reservations must be made by **3:00 pm (PT), Thursday, September 5, 2017.** After September 5, the hotel will confirm reservations based on availability at the current rate.

APPLICATION & FEES

The participation fees below do not include hotel or airfare. Fees include hosted events and meetings.

All applications must be submitted by Tuesday, September 19.

Before 07/28/17:
Chamber members: $1,800
Additional attendee or spouse/companion: $1,300
Non-members: $2,800

07/29/17 – 09/08/17:
Chamber members: $2,300
Additional attendee or spouse/companion: $1,300
Non-members: $2,800

09/08/17 – 09/19/17:
All applicants: $3200

APPLY NOW
(HTTP://WWW.CVENT.COM/D/W5QD2H/4W)

THANK YOU SPONSORS

provided at
clair 6/26

BUSINESS EXPENSES

APRIL BOLING

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

2017

MONTHLY MILEAGE and PARKING FEE REIMBURSEMENT REPORT

SDCRAA
JUN 23 2017
Corporate & Information Governance

EMPLOYEE NAME			PERIOD COVERED	
C. April Boling			June	
DEPARTMENT/DIVISION				
Date	**Miles driven**	**Destination and purpose of trip**	**Parking fees & other transportation costs paid**	**$$$**
6/1/17	29.40	Airport/ALUC/Board Mtg.		
6/2/17	25.40	Joe Terzi's Office/Meet & Greet w/Kim Becker		
6/2/17	3.00	Airport/Prep Mtg.w/Kim Becker re: Harbor Drive Mobility Committee		
6/5/17	26.40	Jerry Sander's Office/Meet & Greet w/Kim Becker		
6/7/17	26.20	Mayor's Office/Meet & Greet w/Kim Becker		
6/8/17	29.40	Airport/Harbor Drive Mobility Committee Policy Group Mtg.		
6/8/17	27.20	SD Marriott/LEAD SD Annual Visionary Awards		19.00
6/9/17	29.40	Airport/Lufthansa/Edelweiss Inaugural Flights		
6/12/17	29.40	Airport/Meet w/Kim Becker re: Airline Operating & Lease Agreements		
6/15/17	25.40	University Club/Meet w/Robert Gleason		
6/23/17	25.60	District Office/Meet & Greet w/Kim Becker & Toni Atkins		
6/26/17	29.40	Airport/Exec. Finance Comm. Mtg.		
SUBTOTAL	306.20		SUBTOTAL	-

Computation of Reimbursement

		306.20
REIMBURSEMENT RATE: (see below) *	**Rate as of January 2017** X	0.535
TOTAL MILEAGE REIMBURSEMENT		163.82
PARKING FEES/TOLL CHARGES (ATTACH RECEIPTS)		19.00
TOTAL REIMBURSEMENT REQUESTED		$ 182.82

I acknowledge that I have read, understand and agree to *Authority Policy 3.30 - Business Expense Reimbursement Policy and that any purchases/claims that are not allowed will be my responsibility. I further certify that this report of business expenses were incurred in connection with official Authority business and is true and correct.

Business Expense Reimbursement Policy 3.30

SIGNATURE OF EMPLOYEE	DEPT./DIV. HEAD APPROVAL

70-369

SAN DIEGO MARRIOTT MARQUIS

333 WEST HARBOR DRIVE
SAN DIEGO, CA 92101-7709
(619) 234-1500

GUEST RECEIPT

RATE: $19.00