

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
MONDAY, DECEMBER 20, 2010
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM

CALL TO ORDER

Chair Gleason called the special meeting of the Board and Executive and Finance Committee to order at 9:06 a.m., Monday, December 20, 2010, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE

Board Member Young led the Pledge of Allegiance.

ROLL CALL

Board

Present: Board Members: Boland, Cox, Finnila, Gleason, Panknin, Robinson, Smisek, Young

Absent: Board Members: Berman (Ex Officio), Desmond, Richie (Ex Officio)

Executive Committee

Present: Committee Members: Cox, Gleason, Smisek

Absent: Committee Members: None

Finance Committee

Present: Committee Members: Cox, Finnila, Panknin, Robinson, Young

Absent: Committee Members: None

Also Present: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Sara Real, Assistant Authority Clerk I

NON-AGENDA PUBLIC COMMENT

SUHAIL KHALIL, SAN DIEGO, Peninsula Community Planning Board, stated that an ad hoc committee has been formed to study the north side improvements and the Supplement Environmental Impact Report (EIR), and requested that the comment period for the EIR be extended.

BOARD BUSINESS

1. **BOARD DISCUSSION AND APPROVAL OF CONTRACTUAL LANGUAGE REGARDING WORKER RETENTION FOR EMPLOYEES OF CONTRACTORS AND SUBCONTRACTORS TO BE INCLUDED IN THE REQUEST FOR PROPOSAL SOLICITATIONS FOR CONCESSIONS (RETAIL, FOOD AND BEVERAGE), AIRPORT SHUTTLE SERVICES AND PARKING SERVICES (This Item was Continued from the December 2, 2010 Board Meeting):**

Jeffrey Woodson, Vice President, Administration, provided an overview of the staff report.

Board Member Finnila disclosed *ex-parte communications* with Pat Murray and Jaimini Erskine, SSP America, and Phil Rath, Public Policy Strategies.

Chair Gleason disclosed *ex-parte communications* with Blake Harwell and Daniel Rottenstreich, Unite Here Local 30, and Lorena Gonzalez of the Labor Council.

BRIGETTE BROWNING, SAN DIEGO, urged the Board to adopt a worker retention policy.

DELIA HUSS, CHULA VISTA, urged the Board to adopt a worker retention policy.

SISTER JUSTINE CHURCH, LA MESA, urged the Board to adopt a worker retention policy.

LORENA GONZALEZ, SAN DIEGO, urged the Board to adopt a worker retention policy.

MICKEY KASPARIAN, LA MESA, urged the Board to adopt a worker retention policy.

Board Member Panknin stated that the new language encourages contractors to compete and it allows the Board to select contractors based on the criteria. He moved to accept staff's recommendation utilizing the RFP language in Attachment B. Board Member Finnila seconded the motion.

In response to Board Member Cox regarding a mechanism to address awarding bonus points and the penalty for lack of follow through, Mr. Woodson stated that the evaluation criteria will be established up front, and points will be awarded as part of the consideration of each bid. He further stated that a mechanism will be established to ensure there is compliance with the terms of the RFP.

Board Member Finnila requested that a training program be included in the RFP to assist incumbent workers that will be transitioning.

RECOMMENDATION: Adopt Resolution No. 2010-0142, approving contractual language regarding Worker Retention for Employees of Contractors and Subcontractors providing services at San Diego International Airport to be incorporated into the Request for Proposal solicitations for Concessions (retail, food and beverage), Airport Shuttle Services and Parking Services.

ACTION: Moved by Board Member Panknin and seconded by Board Member Finnila to approve staff's recommendation using the RFP language in Attachment B. Motion carried by the following vote: YES – Boland, Cox, Finnila, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – None; ABSENT – 12)

2. PRESENTATION ON PROPOSED AGREEMENT WITH ADVANTAGE PERFORMANCE GROUP FOR STRATEGIC BUSINESS PLANNING SERVICES:

Angela Shafer-Payne, Vice President, Planning & Operations, and Matthew Harris, Senior Director, Executive Office, provided a presentation on the Proposed Agreement with Advantage Performance Group, which included the Request for Proposal (RFP) Process, Company Background, Work Plan – Phase I, Work Plan – Phase II, Work Plan – Phase III, Implementation Timeline, and Summary and Recommendation.

In response to Chair Gleason regarding this firm's fees compared to other respondents, Mr. Harris stated that some of the proposers may not have understood what was being requested based on the proposals that were submitted. He stated that this firm offered a different approach to strategic planning.

Thella F. Bowens, President/CEO, noted that this firm will take an absolute custom approach to the Authority, which is extremely valuable.

RECOMMENDATION: Provide direction to staff.

ACTION: No action was taken.

FINANCE COMMITTEE NEW BUSINESS

3. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE FIVE MONTHS ENDED NOVEMBER 30, 2010:

Vernon Evans, Vice President, Finance/Treasurer, and Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Five Months Ended November 30, 2010, which included Enplanements, Gross Landing Weight Units, Airport Parking Transactions, Car Rental License Fees, Operating Revenues for the Month Ended November 30, 2010, Operating Expenses for the Month Ended November 30, 2010, Financial Summary for the Month Ended November 30, 2010, Nonoperating Revenues and Expenses, Monthly Operating Revenue, Monthly Operating Expenses, Build America Bonds (BAB), BAB – Accounting Implications, Balance Sheets, and Liabilities and Net Assets.

RECOMMENDATION: Receive the report.

4. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF NOVEMBER 30, 2010:

Scott Brickner, Director, Financial Planning & Budget, provided a presentation on the Authority's Investment Report as of November 30, 2010, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, and Bond Proceeds Summary.

RECOMMENDATION: Receive the report.

EXECUTIVE COMMITTEE NEW BUSINESS

5. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the November 22, 2010 Committee Meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve staff's recommendation. Motion carried unanimously, noting Chair Gleason's ABSTENTION.

6. PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:

RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS

7. REVIEW OF THE DRAFT AGENDA FOR THE JANUARY 6, 2011 BOARD MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the January 6, 2011 Board Meeting.

Ms. Bowens noted that Item 13, amendments to the International Air Service Program, is being removed from the agenda.

Ms. Bowens noted that two additional items will be added to the agenda; an item to amend Authority Code 9.33, to include provisions related to state-imposed surcharges related to parking fees; and an item to amend Authority Policy 9.12, Ground Transportation Permits, authorizing additional daily taxicab service.

Chair Gleason suggested that Item 12, establishing a Business Preference Program, be the first item under New Business.

ACTION: Moved by Board Member Cox and seconded by Board Member Smisek to approve the draft agenda as amended. Motion carried unanimously.

8. REVIEW OF THE DRAFT AGENDA FOR THE JANUARY 6, 2011 AIRPORT LAND USE COMMISSION MEETING:

Thella F. Bowens, President/CEO, provided an overview of the draft agenda for the January 6, 2011 Airport Land use Commission meeting.

Tony R. Russell, Director, Corporate Services/Authority Clerk, noted that depending on the outcome of Special Airport Land Use Commission meeting later today, some items may be removed from the agenda.

ACTION: Moved by Board Member Smisek and seconded by Board Member Cox to approve the draft agenda. Motion carried unanimously.

The Board recessed at 10:29 a.m. and reconvened at 11:07 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 11:07 a.m. to discuss Item 11.

9. **CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
10. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:**
(Government Code Section 54956.9 (a)):
San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR).
11. **CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
Pursuant to Government Code Section 54956.9(a):
Save Our Heritage Organization v. San Diego Unified Port District, et al., San Diego Superior Court Case No. 37-2009-00097828-CU-TT-CTL
12. **CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(a)):
San Diego Unified Port District v. Argonaut Insurance Company, et al, L.A.S.C. GIC 874394
13. **CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(a)):
City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005

REPORT ON CLOSED SESSION – The Board reconvened into open session at 11:18 am. Breton Lobner, General Counsel, reported that there was no reportable action.

NON-AGENDA PUBLIC COMMENT – None

COMMITTEE MEMBER COMMENTS – None

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ADJOURNMENT

The meeting was adjourned at 11:20 a.m. The next meeting of the Executive and Finance Committees will be held on January 24, 2011 at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE BOARD THIS 10TH DAY OF FEBRUARY, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, JANUARY 6, 2011
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, January 6, 2011 in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Cox led the pledge of allegiance.

ROLL CALL:

PRESENT: Board Members: Berman (Ex-Officio), Boland, Cox, Desmond, Finnila, Gleason, Panknin, Richie (Ex-Officio), Robinson, Smisek, Young

ABSENT: Board Members: None

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk, Sara Real, Assistant Authority Clerk I

Chair Gleason recognized Thella F. Bowens, President/CEO, for her 15 years of service to the Airport Authority.

PRESENTATIONS:

A. PRESENTATION ON THE SECURITY PARTNERSHIP PROGRAM (SPP) – AN ALTERNATIVE OPTION FOR AIRPORT SECURITY PASSENGER SCREENING AND PROPERTY INSPECTION (EDUCATIONAL ITEM):

George Condon, Director, Aviation Operations & Public Safety, and Bob Nowland, TSA, provided a presentation on the Security Partnership Program (SPP) – An Alternative Option for Airport Security Passenger Screening and Property Inspection, which included the Background, Opt-Out Pilot Program, Current SPP Airports, SPP Process, and SPP Studies.

Thella F. Bowens, President/CEO, encouraged Board Members to learn more about the opt-out program and recommended that the Authority talk with other airports about their experience and the benefits of the program.

B. COUNTYWIDE SURVEY OF COMMUNITY INTEREST ON CLIMATE CHANGE:

Scott Peters, Chair, San Diego Foundation Climate Initiative Advisory Committee, provided a presentation on the San Diego Foundation's Environment Program, which included Methodology, Demographics, Water, Wildfires, Sea Level Rise, SB 375: Components that the Public Supports, AB 32: Components that the Public Supports, and Conclusions & Recommendations.

REPORT FROM CITIZEN COMMITTEE:

- **AUTHORITY ADVISORY COMMITTEE:**
John Hawkins, First Vice Chair, Authority Advisory Committee, provided a report on the last Advisory Committee meeting. He stated that the Committee has been reviewing the Regional Aviation Strategic Plan in terms of high speed rail and commuter planes. He further stated that a North Side Sub Group has been formed and is engaged monthly on all aspects of north side development, including rental cars and on-site transportation. He stated that the next Authority Advisory Committee meeting will be held on January 19, 2011.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that the Committee will meet on February 7, 2011.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that the Committee will meet on January 19, 2011.
- **FINANCE COMMITTEE:** None
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that the Committee will meet on January 11, 2011. He noted that the recent rain caused some delays in construction.
- **REGIONAL AVIATION STRATEGIC PLAN COMMITTEE:**
Board Member Finnilla reported that the Committee will meet on January 11, 2011. She also reported that a presentation will be made to SANDAG on January 21, 2011, and the final RASP Open House will be held on January 26, 2011.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None
- **PUBLIC ART ADVISORY COMMITTEE:** None

LIAISONS

- **CALTRANS:** None
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that the state and federal legislatures are back in session.
- **MILITARY AFFAIRS:**
Board Member Boland reported that 2011 marks the 100th year of naval aviation.
- **PORT:**
Thella F. Bowens, President/CEO, reported that staff from both agencies are continuing to work on outstanding items.
- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson reported that meetings continue with key stakeholders, and the first public workshop will be held on January 25, 2011, and a steering committee meeting will be held on February 23, 2011.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that the Committee forwarded a Hybrid Transportation Plan to the SANDAG Board for consideration.
- **WORLD TRADE CENTER:**
Board Member Panknin reported that the International Business Leaders Awards will be held on January 11, 2011.

CHAIR'S REPORT:

Chair Gleason reported that he had been reappointed to a full term, which will begin in February.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO, reported that Alaska Airlines has added a seasonal flight to Puerto Vallarta, which will begin in April. She also reported that there were many problems with delayed flights due to bad weather over the holidays, and many Authority employees volunteered to assist the TSA with divesting.

CONSENT AGENDA (Items 1-12):

Breton Lobner, General Counsel, noted that on the policy amendment for Item 4, Policy 7.14 – Filming and Photography, the last line of paragraph(a) needs to be changed to read, "This prohibition does not apply to representatives of the press when photographing, filming or video recording for news purposes".

ACTION: Moved by Board Member Smisek and seconded by Board Member Finnila to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – None; ABSENT – 0)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the December 2, 2010 regular meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS' WRITTEN REPORTS ON 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. JANUARY 2011 LEGISLATIVE REPORT:

RECOMMENDATION: Adopt Resolution No. 2011-0001, approving the January 2011 Legislative Report.

4. AMEND AUTHORITY CODE 7.14 – FILMING AND PHOTOGRAPHY:

RECOMMENDATION: Adopt Resolution No. 2011-0002, amending Authority Code 7.14 in order to better articulate its regulation of filming and photography on the Airport.

ACTION: Approved as amended.

5. AMEND AUTHORITY CODE 9.33 TO ATTACH STATE-MANDATED SURCHARGES TO PARKING VIOLATION PENALTIES AND TO CLARIFY AUTHORITY-IMPOSED PENALTIES FOR AIRPORT PARKING VIOLATIONS:

RECOMMENDATION: Adopt Resolution No. 2011-0003, amending Authority Code 9.33 to clarify enforcement of Authority parking regulations and to authorize the President/CEO to adopt procedures for the collection of state-mandated surcharges in accordance with current California statutes.

CLAIMS

6. AUTHORIZE THE REJECTION OF THE CLAIM OF JOSEPH HO PARK:
RECOMMENDATION: Adopt Resolution No. 2011-0005, authorizing the rejection of the claim of Joseph Ho Park.

7. AUTHORIZE THE REJECTION OF THE CLAIM OF MUKHTAR AHMAD:
RECOMMENDATION: Adopt Resolution No. 2011-0006, authorizing the rejection of the claim of Mukhtar Ahmad and all persons similarly situated.

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

8. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH ADVANTAGE PERFORMANCE GROUP, INC. (APG) FOR STRATEGIC BUSINESS PLANNING SERVICES:

RECOMMENDATION: Adopt Resolution No. 2011-0007, approving and authorizing the President/CEO to execute a two-year agreement with Advantage Performance Group, Inc. in the amount of \$492,000.00, for strategic business planning services.

9. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM NOVEMBER 8, 2010 THROUGH DECEMBER 12, 2010 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM NOVEMBER 8, 2010 THROUGH DECEMBER 12, 2010:

RECOMMENDATION: Receive the report.

10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MANATT, PHELPS & PHILLIPS, LLP FOR STATE LEGISLATIVE CONSULTANT SERVICES:

RECOMMENDATION: Adopt Resolution No. 2011-0008, approving and authorizing the President/CEO to execute an agreement with Manatt, Phelps & Phillips, LLP, for State Legislative Consultant Services in an amount not-to-exceed \$621,600 for four years, including one two-year term, and one additional two-year extension at the exclusive option of the President/CEO.

11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MCBEE STRATEGIC CONSULTING, LLC FOR FEDERAL LEGISLATIVE CONSULTANT SERVICES:

RECOMMENDATION: Adopt Resolution No. 2011-0009, approving and authorizing the President/CEO to execute an agreement with McBee Strategic Consulting, LLC for Federal Legislative Consultant Services in an amount not-to-exceed \$664,000 for four years, including one two-year term and one additional two-year extension at the exclusive option of the President/CEO.

12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH MORRISON & FOERSTER LLP:

RECOMMENDATION: Adopt Resolution No. 2011-0010, approving and authorizing the President/CEO to execute a second amendment to the agreement with Morrison & Foerster LLP for professional legal services, increasing the not-to-exceed compensation amount by three hundred thousand dollars (\$300,000) for a total not-to-exceed amount of six hundred thousand dollars (\$600,000).

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

13. ADOPT AUTHORITY POLICY 5.14 ESTABLISHING A SMALL BUSINESS, LOCAL BUSINESS, SERVICE-DISABLED VETERAN-OWNED SMALL BUSINESS PREFERENCE PROGRAM AND AMEND POLICIES 5.10 – COMPLIANCE WITH EQUAL EMPLOYMENT OPPORTUNITY AND NONDISCRIMINATION POLICY, 5.11 – EQUAL OPPORTUNITY CONTRACTING POLICY, 5.12 – PREFERENCE TO SMALL BUSINESS, AND 5.13 – LOCAL BUSINESS OPPORTUNITIES:

Bob Silvas, Director, Small Business Development, provided a presentation on Policy 5.14 – Small, Local & Service Disabled Veteran Owned Small Business Goal and Preference Program, which included the Mission, History, Definitions, Process Overview, Goal Setting Methodology, Price Cap on RFP/RFQ, Exemptions to Policy 5.14, Amendments, and Recommendation.

Breton Lobner, General Counsel, stated that the issues with this item are if this is a violation of equal protection, and/or due process. He stated that a rational basis test must be considered. He stated that the Authority needs a reason for having these preferences. He further stated that concessions and federally funded public works are the exceptions from local preferences. He stated that considering all of the information and findings provided, the Office of the General Counsel feels that this is legal and the Authority has the ability to move forward with the program.

In response to Board Member concerns regarding cost and acquiring the best company using a preference program, Mr. Lobner stated that initially, certain contractors must be short-listed using the local preference. He stated that the short-listed companies will be reassessed without taking into account the preference, which will give the interview panel the ability to pick the best overall contractor.

Board Member Panknin stated that he would like to be able to award contracts based on the local preference criteria if the contractors were equally qualified.

Thella F. Bowens, President/CEO, stated that to get into the process, the first step would be that preferences would be applied, but that preferences would not be applied in step two. She stated that in the second step, the only criteria that would be used is the evaluation criteria that was set for the actual performance of the scope of work.

Ms. Bowens noted that based on the Board's direction, staff developed a policy to create a level playing field that allows opportunities for local and small businesses. She stated that if there are questions, it can be shown how the preference points were applied.

RECOMMENDATION: Adopt Resolution No. 2011-0011, adopting Authority Policy 5.14, establishing a Small Business, Local Business and Service Disabled Veteran Owned Small Business Goal and Preference Program; and Amending Policies 5.10 - Compliance with Equal Employment Opportunity and Nondiscrimination Policy; 5.11 - Equal Opportunity Contracting Policy; 5.12 - Preference to Small Businesses; and 5.13 - Local Business Opportunities.

ACTION: Moved by Board Member Panknin and seconded by Board Member Cox to approve staff's recommendation and that the policy be reviewed and assessed again in one year. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – None; ABSENT – 0)

The Board recessed at 10:46 a.m. and reconvened at 11:00 a.m.

14. DISCUSSION OF THE TERMINAL CONCESSIONS DEVELOPMENT PROGRAM PACKAGE SIZES AND EVALUATION MATRIX:

Board Member Finnila disclosed *ex-parte* communications with Mario Trevino, Innovative Strategies, and Frank De La Cruz, PGC, LLC.

Chair Gleason disclosed *ex-parte* communications with Patrick Carroll and Jaimini Erskine, SSP America, and Kimberly Hale, Public Policy Strategies.

Board Member Desmond disclosed *ex-parte* communications with SSP, HDS, and the Hudson Group.

Board Member Robinson disclosed *ex-parte* communications with SSP representatives.

Board Member Cox disclosed *ex-parte* communications with Mario Trevino, Innovative Strategies; Michael Mullaney, the Hudson Group; Pat Murray, SSP; and Gil Johnson, Procurement Concepts.

Bhavesh Patel, Manager, Concession Development Program, provided a presentation on the San Diego International Airport Concession Development Program, which included Packaging Guidelines, Concession Locations Map, Food Service: Packages Summary, Retail: Packages Summary, RFP Evaluation Criteria, and Next Steps.

In response to Board Member Panknin regarding including a component for a "San Diego flavor" in the RFP, Thella F. Bowens, President/CEO, stated that the RFP will address the issue of "local flavor", and will contain a preamble which will define all of the descriptive elements that are being sought.

In response to Board Member Cox regarding controls on pricing in the terminals, Mr. Patel stated that there is specific language in the leasing documents regarding pricing controls, and the recommendation to the proposers will be a street pricing policy plus 10%.

In response to Chair Gleason regarding the financial capabilities of proposers, Mr. Patel stated that all proposers will be required to submit a list of projects that they have won recently to allow the panel to understand their business capabilities.

In response to Chair Gleason regarding package sizing, Mr. Patel stated that the packages are structured to allow maximum participation from Airport Concessions Disadvantaged Business Enterprises (ACDBE) companies. He stated that if the package sizes are too small, it limits the proposers ability to go into joint ventures and sublease agreements with larger prime operators.

Board Member Finnila noted that food concessions pre-security are needed in all terminals.

RECOMMENDATION: Receive the report.

ACTION: No action was taken.

15. **AMENDMENT TO AUTHORITY POLICY 9.12 – GROUND TRANSPORTATION PERMITS AUTHORIZING ADDITIONAL DAILY TAXICAB SERVICE AT SAN DIEGO INTERNATIONAL AIRPORT:**
Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the SDIA Taxicab Permit Improvement Program, which included the Background, Typical Daily Taxi Demand vs Typical Taxicab Supply, Taxicab Improvement Proposal 1, Taxicab Improvement Proposal 2, Taxicab Improvement Proposal Benefits, Taxicab Industry Outreach, and Recommendations.

MICHEL ANDERSON, SAN DIEGO, spoke in opposition to the proposal.

MICHAEL MCDADE, SAN DIEGO, spoke in support of the proposal.

KAMRAN HAMIDI, SAN DIEGO, spoke in opposition to the proposal.

MARGOT TANQUAY, SAN DIEGO, spoke in support of the proposal.

ALEX GEBRESALASSIE, SAN DIEGO, spoke in support of the proposal.

Board Member Cox stated that at some point, the Authority should consider if there is a better system, which would need to be phased in over a period of time and would need to address customer service issues as well.

In response to Board Member Finnila regarding utilizing a lottery system, Jim Myhers, Director, Ground Transportation, stated that the goal of this amendment was to take care of current permit holders, not bring in new drivers.

In response to Chair Gleason regarding progress on other open ground transportation issues, Mr. Evans stated that meetings have been conducted with the ground transportation industry regarding items to be negotiated into the Memorandum of Agreement (MOA). He stated that a full update will be provided to the Board in March 2011.

Board Member Panknin stated that he is not sure he could support something that encourages black market transfers of permits.

Chair Gleason suggested approving staff's recommendation as a pilot program through the end of the fiscal year.

RECOMMENDATION: Adopt Resolution No. 2011-0012, amending Authority Policy 9.12, Ground Transportation Permits, authorizing additional daily taxicab service at the San Diego International Airport.

ACTION: Moved by Board Member Young and seconded by Board Member Finnila to approve staff's recommendation and directed that the additional daily taxicab service expire on June 30, 2011 and revert back to the original daily service. Motion carried by the following vote: YES – Boland, Cox, Desmond, Finnila, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – None. (Weighted Vote Points: YES – 100; NO – None; ABSENT – 0)

Board Member Young left the dais at 12:10 p.m.

16. PROGRESS REPORT AND INFORMATIONAL PRESENTATION ON THE SAN DIEGO INTERNATIONAL AIRPORT TRANSIT PLAN:

Ted Anasis, Manager, Airport Planning, provided a presentation on the San Diego International Airport Transit Plan – Phase II, which included the Airport Transit / Roadway Committee, Committee Input, Purpose / Background, Transit Improvements for Further Study, Existing and Planned Regional Transit Services and Infrastructure, Transit Service in the San Diego Region, Transit Access to SDIA, Improvements on the I-5 and I-15 Corridors, Improvements on Major Highway Corridors, Downtown Bus Service in 2015 and 2030, SDIA 2009 Air Passenger Survey, Airport Employee Transit Incentive / Trip Reduction Program, Express Bus Service to/from Old Town Transit Center, and Remote Parking / Terminal with Express Bus Service.

RECOMMENDATION: Accept the progress report and informational presentation on the San Diego International Airport Transit Plan.

ACTION: No action was taken.

CLOSED SESSION: The Board recessed into Closed Session at 12:31 pm to discuss Items 17 and 24.

17. CONFERENCE WITH LEGAL COUNSEL: ANTICIPATED LITIGATION:

Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)

18. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

(Government Code Section 54956.9 (a)):
San Diego Unified Port District v. TDY Industries, Inc., et al., and related cross-actions. U.S. District Court, Southern District Case No. 03 CV 1146-B (POR).

19. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real property negotiations pursuant to Cal. Gov. Code Sections 54954.5(b) and section 54956.8.

Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer
Negotiating Parties: United States Fish and Wildlife Service, GGTW, LLC

(current tenant) and/or other interested parties

Under Negotiation: Sale – terms and conditions.

- 20. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(a)):
San Diego Unified Port District v. Argonaut Insurance Company, et al,
L.A.S.C. GIC 874394
- 21. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real Property Negotiations pursuant to Cal Gov. Code §§ 54954.5(b) and
54956.8
Property: 3.76 acre easement across MCRD and San Diego Unified Port
District property located on the Washington Street extension south of Pacific
Highway, in the City of San Diego, CA.
Agency negotiators: Vernon Evans, Vice President, Finance/Treasurer and
Troy Ann Leech, Director, Real Estate Management.
Under Negotiation: Consideration of MCRD's request for exclusive use of
portion of the easement; possible realignment of access and rights;
acquisition of easement or right of way from the San Diego Unified Port
District.
- 22. CONFERENCE WITH LEGAL COUNSEL--EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(a)):
City of San Diego, Historical Resources Board: In re: Western Salt
Company Salt Works, Report No. HRB-08-005
- 23. CONFERENCE WITH LABOR NEGOTIATOR:**
Labor negotiations pursuant to Cal. Gov. Code §54957.6.
Authority Designated Negotiators: Thella F. Bowens, President/CEO; and
Jeffrey Woodson, Vice President, Administration
Employee Organization: Teamsters 911
- 24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation pursuant to subdivision (b) of Section
54956.9: 1 case

REPORT ON CLOSED SESSION: The Board reconvened at 1:22 pm. Breton Lobner, General Counsel, reported that 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:

BOARD COMMENT: None

ADJOURNMENT: The meeting was adjourned at 1:23 pm.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 10th DAY OF FEBRUARY, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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**DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
TUESDAY, JANUARY 18, 2011
COMMUTER TERMINAL – SECOND FLOOR
ORVILLE AND WILBUR WRIGHT CONFERENCE ROOMS**

CALL TO ORDER:

Chair Gleason called the special meeting of the Board to order at 3:00 p.m., on Tuesday, January 18, 2011, in the Orville and Wilbur Wright Conference Rooms of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE:

ROLL CALL:

PRESENT: Board Members: Berman (Ex-Officio), Boland, Cox, Desmond, Gleason, Robinson

ABSENT: Board Members: Finnila, Panknin, Col. Richie (Ex-Officio), Smisek, Young

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk

NEW BUSINESS:

1. INFORMATIONAL PRESENTATION REGARDING THE ENVIRONS SURROUNDING SAN DIEGO INTERNATIONAL AIRPORT AND SAN DIEGO INTERNATIONAL AIRPORT ENVIRONS BUS TOUR RELATED TO THE AIRPORT LAND USE PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT.

Keith Wilschetz, Director, Airport Planning and George Condon, Director, Aviation Operations & Public Safety provided a presentation which included an overview of the Runway Safety Area, Engineered Materials Arrestor System, Displaced Threshold, Runway 27 Approach, and Terrain Penetrations.

The bus tour of the San Diego International Airport Environs related to the Airport Land Use Plan commenced at 3:22 p.m. Tour attendees included Chair Gleason; Board Members Berman, Boland, Cox, Desmond and Robinson; Thella F. Bowens, President/CEO; Breton Lobner, General Counsel; Angela Shafer Payne, Vice President, Planning & Operations; Tony R. Russell, Director, Corporate Services/Authority Clerk; Keith Wilschetz, Director, Airport Planning; George Condon, Director, Aviation Operations & Public Safety; Amy Gonzalez, Director, Counsel Services; Chanelle Hawken, Government Relations Specialist; Angela Jamison, Manager, Airport

Planning; Kim Sheredy, Airport Planner II; Tait Galloway, City of San Diego;
and Danny Melgoza, County of San Diego. The tour concluded at 4:19 p.m.

BOARD COMMENT:

ADJOURNMENT: The meeting was adjourned at 4:20 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 10th DAY OF FEBRUARY, 2011.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL