



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
14

Meeting Date: **NOVEMBER 3, 2011**

Subject:

Authorize the Acceptance and Grant of Real Property Rights Necessary to Effect Airport Development Including the Redesign of Contiguous Portions of the San Diego International Airport ("SDIA") Washington Street Access Located South of Pacific Highway on Marine Corps Recruit Depot and Authority Property and Storm Water Drainage Systems Supporting the Authority's North Side and Terminal Development Programs

Recommendation:

Adopt Resolution No. 2011-0139, authorizing the President/CEO to take appropriate actions necessary to grant and accept certain property rights between the Authority and the United States Navy by and through the Marine Corps Recruit Depot ("MCRD") and the Naval Facilities Engineering Command Southwest ("NAVFAC-SW") necessary to effect the implementation of Authority's North Side and Terminal Development Programs, including the redesign of the SDIA Washington Street access and storm water drainage systems on the north and south sides of SDIA; including the simultaneous execution of the following and any related agreements: (1) an Exclusive Use Agreement; (2) an Agreement for Exchange of Easements; (3) an Agreement for Use of Easements; (4) an easement for street purposes granted by the Authority to MCRD/NAVFAC-SW; (5) two easements for street purposes granted by MCRD/NAVFAC-SW to the Authority; (6) a utility easement for storm water drainage purposes granted by MCRD/NAVFAC-SW to the Authority; (7) a utility easement granted by MCRD/NAVFAC-SW to the Authority for storm water drainage purposes to accommodate the two existing airport storm water drainage pipelines that are currently covered by a 20-foot wide leasehold interest and a right of entry; and (8) a quitclaim by the Authority in favor of MCRD/NAVFAC-SW to facilitate the replacement of the 20-foot-wide leasehold interest and the right of entry that is currently covering the two existing storm drains.

Background/Justification:

The Authority has been in lengthy discussions with MCRD regarding the redesign and improvement of the Washington Street access to MCRD Gate 5 and SDIA for the mutual benefit of the parties. Numerous agreements with MCRD are necessary to effect the planned improvements that will preserve and improve the Authority's current access to SDIA and allow for improvements contemplated by the Authority's North Side Development Program and Terminal Development Program, while permitting MCRD to redesign Gate 5 to meet its enhanced security requirements.

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A map depicting the properties that are the subject of agreements contemplated herein is attached hereto as "Attachment 1" and each agreement is discussed separately in more detail below.

A. Washington Street Program Agreements.

MCRD property is owned by the United States of America acting through the Secretary of the Navy as represented by NAVFAC-SW. The Authority owns a 1949 perpetual easement over a portion of the MCRD property granting access rights from Washington Street into SDIA to the Authority.

The proposed Exclusive Use Agreement allocates portions of the existing 1949 perpetual easement across MCRD property for use by MCRD and the Authority. The Agreement for Exchange of Easements provides for the Authority granting MCRD/NAVFAC-SW an easement for street purposes and MCRD, in return, granting the Authority a total of four easements (i.e., two easements for street purposes and two utility easements). The Agreement for Use of Easements allocates the use of the three street easements between the Authority and MCRD.

1. Exclusive Use Agreement.

In 1949, the United States of America, as part of an exchange of numerous property rights between the City of San Diego ("City") and the United States of America, granted the City a perpetual easement ("Perpetual Easement") for street purposes across 3.765 acres of MCRD property south of Pacific Highway for access to SDIA. The Perpetual Easement was transferred from the City to the San Diego Unified Port District ("Port District") and, subsequently, the Authority as jurisdictional responsibility for the Airport's operations has changes hands. The Perpetual Easement is used by vehicles accessing the north side property as well as SDIA from the Washington Street – Pacific Highway intersection including vehicles transiting to the Authority's fuel farm, control tower, fire station, as well as emergency vehicles responding to contingencies at SDIA. Vehicles accessing the soon to be constructed North Side Development Program improvements, including the Consolidated Receiving and Distribution Center ("CRDC") and to a lesser degree the public parking, fixed base operations, and Consolidated Car Rental Facility, also will use the Perpetual Easement area.

The Authority requires the use of approximately one-third of the Perpetual Easement's 3.765 acres. Two years ago, MCRD advised that increased security requirements and accommodation of the large number of vehicles entering MCRD to attend graduation ceremonies would require exclusive use of a portion of the Perpetual Easement area by MCRD. Since then the Authority and MCRD have been collaborating on a redesign of the Perpetual Easement area to meet both party's needs. The Exclusive Use Agreement developed by the Authority, MCRD, and NAVFAC allocates the area of the Perpetual Easement into three parcels: (1) 2.57 acres for exclusive MCRD's use, (2) 0.13 acres for the joint use by MCRD and the Authority, and (3) 1.09 acres for primary use by the Authority, depicted as Parcels 1, 2, and 3, respectively, on "Attachment 2."

The Authority will pay for improvement of the relatively small joint use area because MCRD will not have Military Construction Funds available before the area will be needed to support the Authority's CRDC.

2. Agreement for Exchange of Easements ("Agreement") and Four Easements. This Agreement has two purposes. First, it provides the legal right for the Authority and MCRD to cross each other's properties that lie on the southerly extension of Washington Street between the Washington Street – Pacific Highway intersection and the northern boundary of the Perpetual Easement. The three easements addressing these rights are referred to as the "Washington Street-South Easements". Second, because the storm water drainage provided by the North Side Storm Drain Easement will include storm water runoff from portions of Washington Street-South that are used by both parties, the Agreement also provides the Authority a utility easement for a storm drain across MCRD property west of Runway 9/27. This easement is referred to as the "North Side Storm Drain Easement". Under the terms of the Agreement, the Authority will grant MCRD one easement for street purposes, and MCRD will grant the Authority three easements (i.e., two easements for street purposes and one utility easement for a storm drain). The areas covered by these easements are depicted on "Attachment 3" as Parcels A, B, C, and D.
 - a. Washington Street-South Easements.

Vehicles transiting on the southerly extension of Washington Street ("Washington Street – South") from the Washington Street – Pacific Highway intersection to the Perpetual Easement cross three discrete parcels of property identified as Parcels A, B, and C on "Attachment 3." Parcel B is a portion of the Authority's leasehold. Parcels A and C are properties controlled by MCRD.

Historically the Perpetual Easement and MCRD property (i.e., Parcels A and C) have been used to access SDIA from Pacific Highway with the tacit permission of MCRD. Similarly, MCRD has used the Authority's leasehold (i.e., Parcel B) to access Gate 5 with the tacit permission of the SDIA. The proposed exchange of easements will provide both MCRD and the Authority the continued ability to access their respective properties and rights to construct improvements within the Perpetual Easement area up to the Washington Street – Pacific Highway Intersection. Similarly, the two easements granted by MCRD will allow the Authority to extend its improvements from the Perpetual Easement area up to Pacific Highway.

- b. North Side Storm Drain Easement. The Authority's planned improvements on the north side property require routing a storm drain across MCRD property located west of the Airport and south of the extended centerline of the Airport's Runway 27, identified as Parcel D on "Attachment 3." The storm water drainage provided by the North Side Storm Drain Easement will include storm water runoff from portions of Washington Street - South that are used by both parties.

B. Agreement for Use of Easements.

Concurrently with the execution of the three easements for street purposes, it is necessary to identify how the use of these areas will be allocated between both parties. Similar to the Exclusive Use Agreement, which applies only to the 1949 Perpetual Easement, the Agreement for Use of Easements will allocate areas for exclusive use by MCRD, joint use by MCRD and the Authority, and primary use by the Authority.

C. Quitclaim of Parcel 4 and Right of Entry in Exchange for Storm Drain Utility Easement.

The Port District entered into a lease with MCRD, commonly referred to as the "Runway Extension Lease," for five parcels, which lease was later assigned to the Authority. In the 1970s the Port District developed Parcel 4, a strip of land south of the extended centerline of Runway 9/27 on MCRD property, for storm drainage ("Parcel 4 Storm Drain").

As part of the Terminal Development Program, the Authority constructed and is using a storm drain ("Green Build Storm Drain") that crosses MCRD property and runs parallel and within 10 feet of the southern boundary of the Parcel 4 Storm Drain Easement. MCRD previously issued a right of entry ("ROE") for the Green Build Storm Drain authorizing construction and use of the storm drain as an interim measure until a utility easement could be executed.

Both parties will derive mutual benefits by replacing the ROE together with Parcel 4 of the Runway Extension Lease with a single storm drain easement across MCRD property. In exchange for MCRD/NAVFAC-SW's agreement to provide an easement to replace the ROE and Parcel 4 of the lease, Authority agrees to quitclaim all interests in the ROE and Parcel 4. Please see "Attachment 4" delineating the parcels that are the subject of the exchange of these property interests.

Fiscal Impact:

Approval of the attached resolution will not require expenditure of Authority funds. Costs associated with the construction of improvements to the Perpetual Easement and Washington Street – South are budgeted within the currently approved FY12-FY16 CIP and not included in this requested Board action.

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:

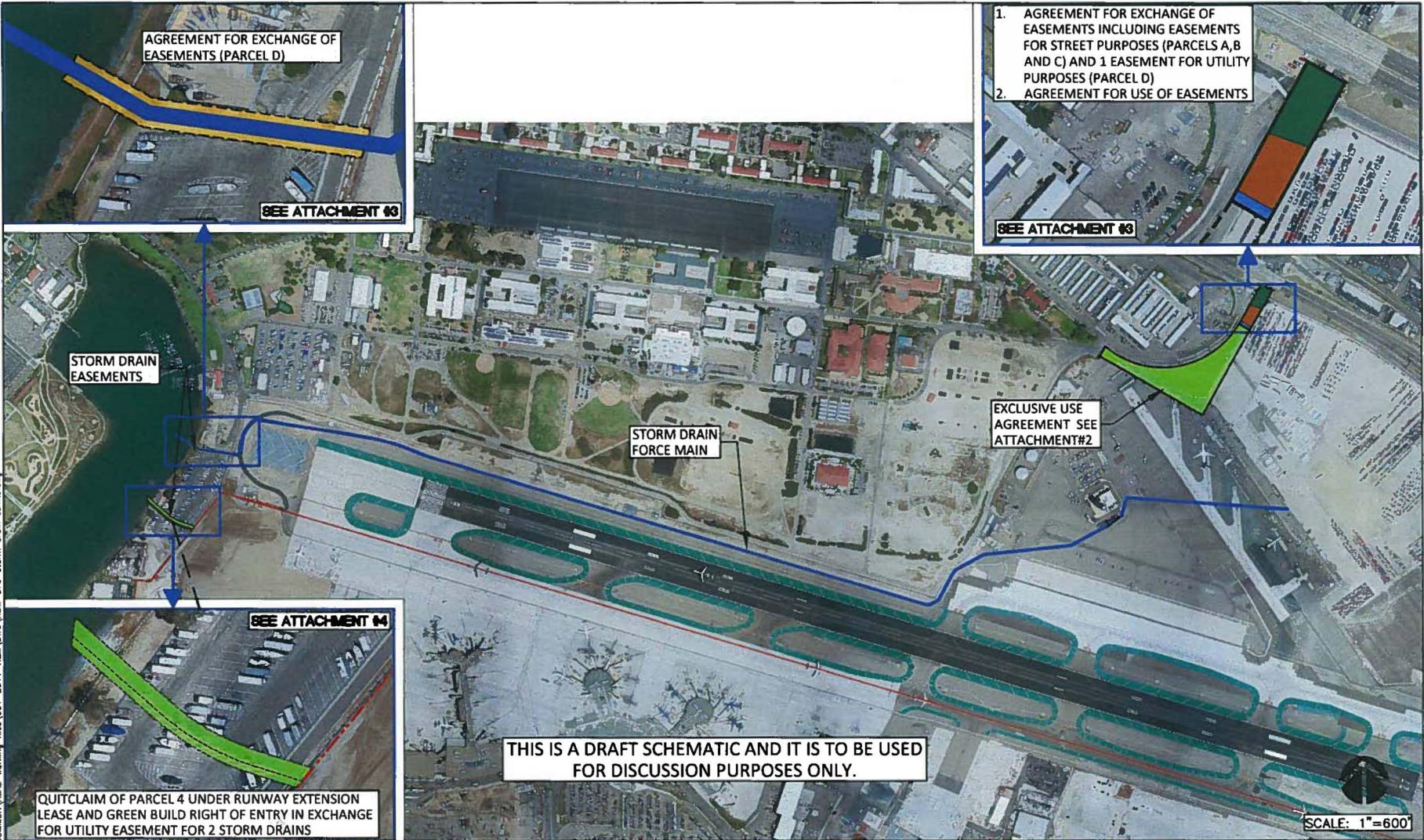
- A. This Board action is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act (CEQA), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA, Pub. Res. Code §21065.
- B. This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/CHIEF FINANCIAL OFFICER/TREASURER



1. AGREEMENT FOR EXCHANGE OF EASEMENTS INCLUDING EASEMENTS FOR STREET PURPOSES (PARCELS A,B AND C) AND 1 EASEMENT FOR UTILITY PURPOSES (PARCEL D)
2. AGREEMENT FOR USE OF EASEMENTS

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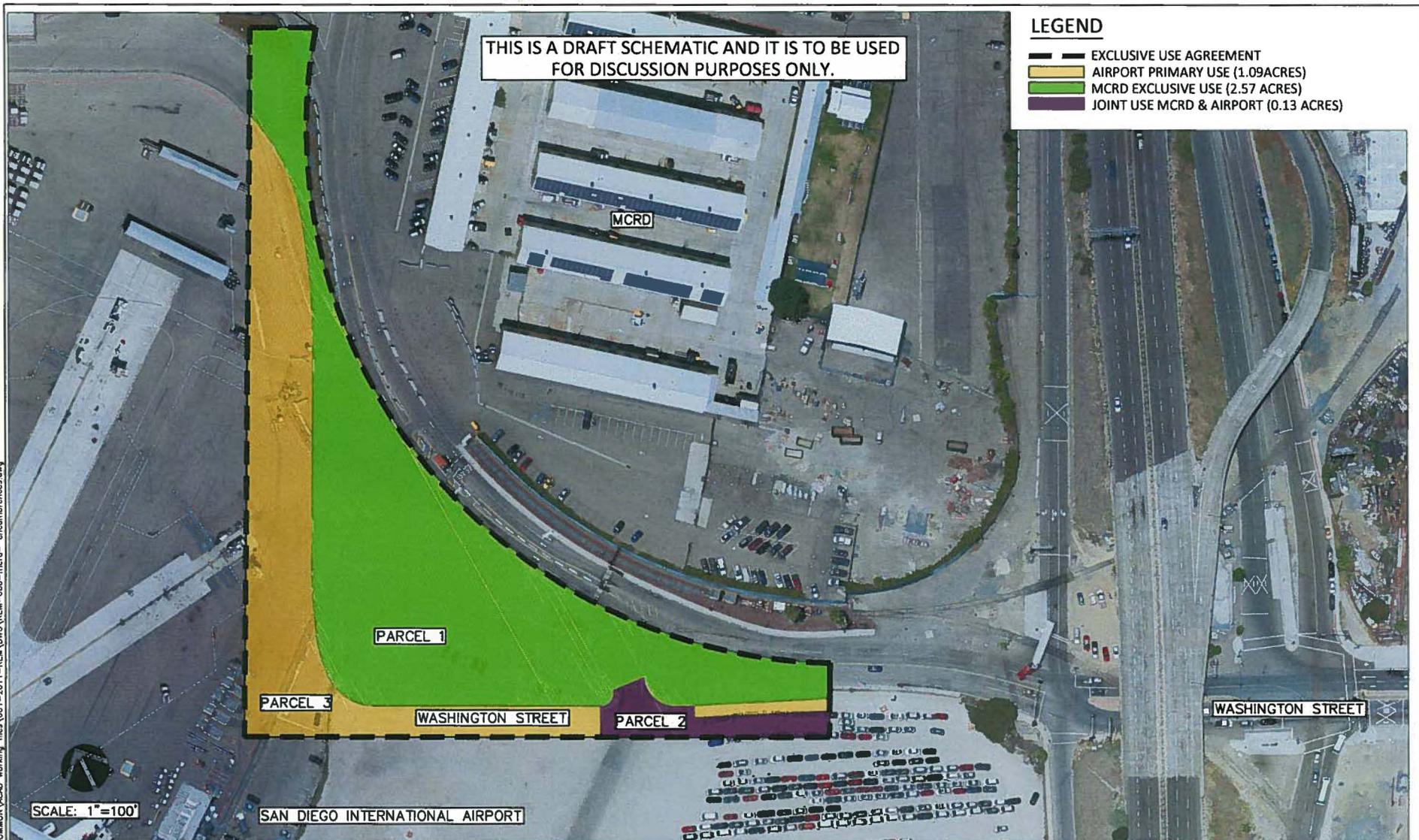
001-2011 REM
STORM DRAIN AND WASHINGTON STREET EASEMENTS AND AGREEMENTS
 ATTACHMENT 1

DATED:	10-20-2011
DRAWING:	REM-07a
LAYOUT:	ATTACH-1

THIS IS A DRAFT SCHEMATIC AND IT IS TO BE USED FOR DISCUSSION PURPOSES ONLY.

LEGEND

-  EXCLUSIVE USE AGREEMENT
-  AIRPORT PRIMARY USE (1.09ACRES)
-  MCRD EXCLUSIVE USE (2.57 ACRES)
-  JOINT USE MCRD & AIRPORT (0.13 ACRES)



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INFORMATION ONLY
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 ISSUED BY: AIRPORT FACILITIES DEPARTMENT

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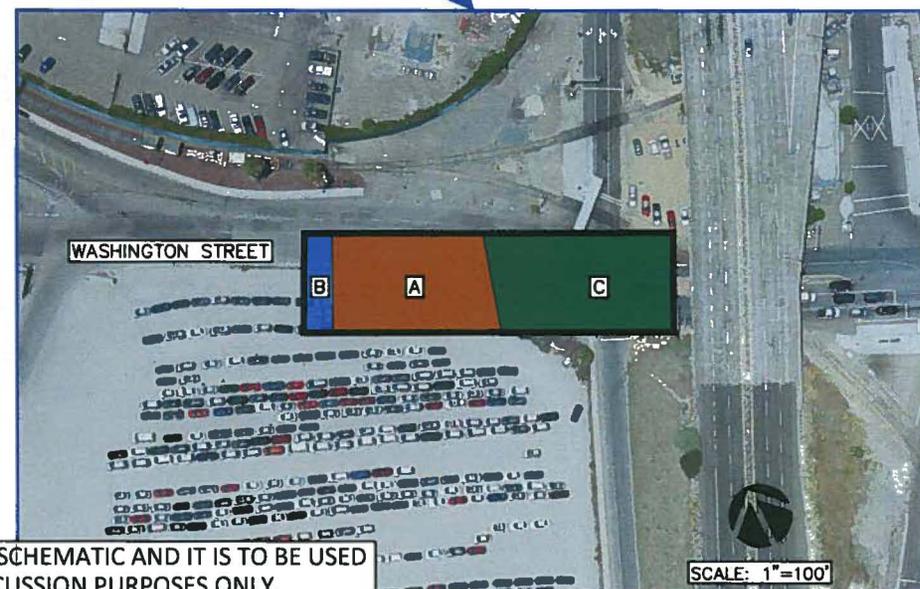
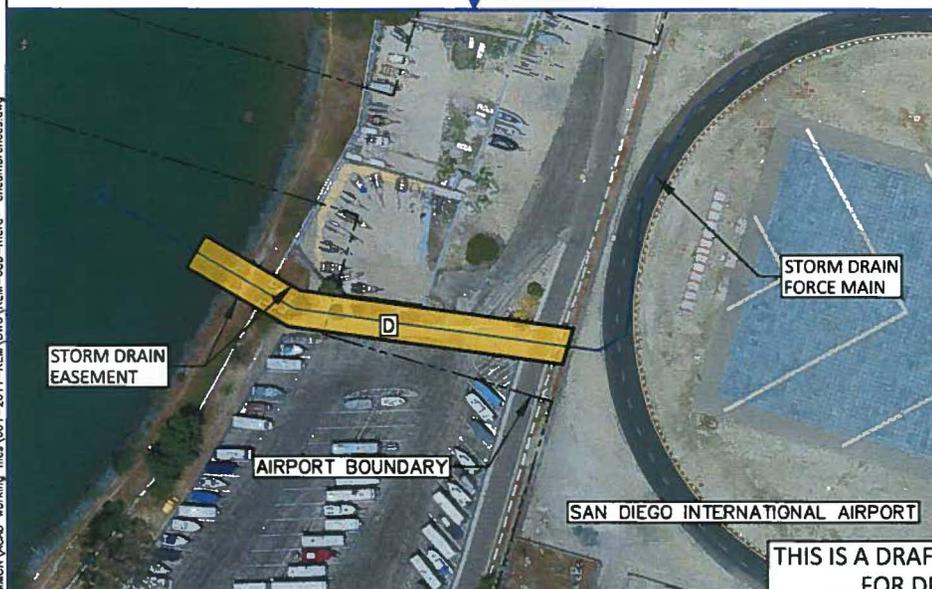
SAN DIEGO INTERNATIONAL AIRPORT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

001-REM	DATED: 10-21-2011
EXCLUSIVE USE AGREEMENT	DRAWING: REM-08b
ATTACHMENT 2	LAYOUT: ATTACH-2



LEGEND

- AGREEMENT FOR EXCHANGE OF EASEMENTS AND AGREEMENT FOR USE OF EASEMENTS INCLUDING 3 EASEMENTS FOR STREET PURPOSES (PARCELS A,B AND C) AND 1 EASEMENT FOR UTILITY PURPOSES (PARCEL D)
- PARCEL A - SDCRAA TO MCRD FOR STREET PURPOSES
- PARCEL B - MCRD TO SDCRAA FOR STREET PURPOSES
- PARCEL C - MCRD TO SDCRAA STREET PURPOSES
- PARCEL D - MCRD TO SDCRAA FOR STORM DRAINAGE



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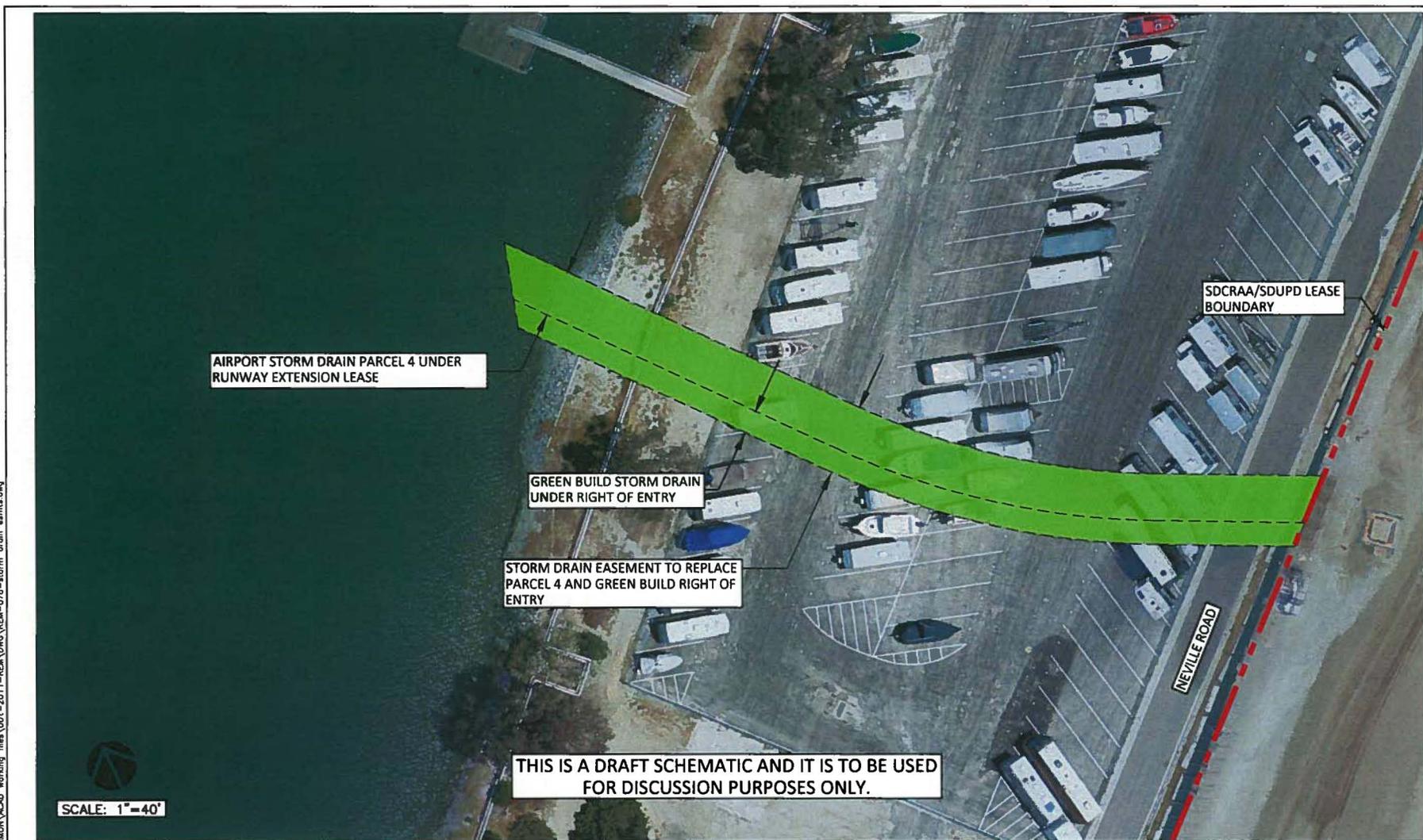
SAN DIEGO INTERNATIONAL AIRPORT
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001-REM
WASHINGTON STREET AGREEMENTS AND STORM DRAIN EASEMENT
ATTACHMENT 3

DATED:	10-21-2011
DRAWING:	REM-08b
LAYOUT:	ATTACH-3

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INFORMATION ONLY

THIS DRAWING HAS BEEN PREPARED FOR INFORMATION ONLY. IF ANY DISCREPANCIES, INCONSISTENCIES OR INACCURACIES ARE DISCOVERED IT SHOULD BE REPORTED TO THE AIRPORT FACILITIES DEPARTMENT IN WRITING. THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY SHALL NOT BE RESPONSIBLE FOR ANY ERRORS OR OMISSIONS WHICH MAY BE INCORPORATED HEREIN AS A RESULT.

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SAN DIEGO INTERNATIONAL AIRPORT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

001-2011 REM
STORM DRAIN EASEMENT TO REPLACE PARCEL 4 AND GREEN BUILD RIGHT OF ENTRY
ATTACHMENT 4

DATE: 10-21-2011
DRAWING: REM-07a
LAYOUT: ATTACH-4

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RESOLUTION NO. 2011-0139

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE ACCEPTANCE AND GRANT OF REAL PROPERTY RIGHTS NECESSARY TO EFFECT AIRPORT DEVELOPMENT INCLUDING THE REDESIGN OF CONTIGUOUS PORTIONS OF THE SAN DIEGO INTERNATIONAL AIRPORT ("AIRPORT") WASHINGTON STREET ACCESS LOCATED SOUTH OF PACIFIC HIGHWAY ON MARINE CORPS RECRUIT DEPOT AND AUTHORITY PROPERTY AND STORM WATER DRAINAGE SYSTEMS SUPPORTING THE AUTHORITY'S NORTH SIDE AND TERMINAL DEVELOPMENT PROGRAMS

WHEREAS, the Marine Corps Recruit Depot ("MCRD") is adjacent to the northwestern portion of the Airport; and

WHEREAS, MCRD is owned by the United States of America acting through the Secretary of the Navy ("SecNav") as represented by Naval Facilities Engineering Command – Southwest ("NAVFAC-SW"); and

WHEREAS, in 1949, the SecNav granted to the City of San Diego a perpetual easement ("Perpetual Easement") for street purposes across 3.765 acres of MCRD property south of the intersection of Washington Street and Pacific Highway to provide access to the Airport; and

WHEREAS, the Perpetual Easement was assigned to the Authority on establishment of the Authority in 2003; and

WHEREAS, the Perpetual Easement provides vital access for vehicles transiting to and from the Airport's fuel farm, control tower, fire station, certain tenant air carriers, as well as emergency vehicles responding to contingencies on the Airport, and this access is an essential component of the planned development of the Airport's north side; and

WHEREAS, MCRD uses portions of the Perpetual Easement areas to access MCRD Gate 5; and

WHEREAS, MCRD requires exclusive use of a portion of the Perpetual Easement to meet enhanced security requirements and to accommodate the large number of vehicles attending periodic MCRD graduation ceremonies; and

WHEREAS, the staffs of the Authority, MCRD, and NAVFAC have cooperated in the development of an Exclusive Use Agreement that allocates use of the Perpetual Easement as follows; 2.57 acres for MCRD's exclusive use, 0.13 acres for joint use by MCRD and the Authority, and 1.09 acres for the Authority's primary use; and

WHEREAS, the Exclusive Use Agreement will permit MCRD to improve Gate 5 access to meet security requirements and accommodate visitors attending graduation ceremonies while allowing the Authority to preserve and improve access to the Airport; and

WHEREAS, Airport and MCRD Gate 5 traffic have long used two parcels of MCRD property and one portion of the Authority's leasehold to transit between the Washington Street – Pacific Highway intersection and the Perpetual Easement; and

WHEREAS, MCRD has no documented property right to use the portion of the Authority's leasehold to access the Perpetual Easement and Gate 5, and, similarly, the Authority has no documented right to use the two parcels of MCRD property to access the Perpetual Easement and the Airport; and

WHEREAS, the Authority has a requirement for a utility easement for a storm drain across MCRD property south of the extended centerline of the Airport's runway 27; and

WHEREAS, to provide MCRD the legal right to cross the portion of the Authority's leasehold needed to access MCRD Gate 5 and to provide the Authority the legal right to cross the two parcels of MCRD property needed to access the Perpetual Easement, and to provide the Authority with the utility easement for a storm drain, the staffs of MCRD and the Authority have developed an Agreement for Exchange of Easements; and

WHEREAS, the Agreement for Exchange of Easements provides for the Authority to grant MCRD an easement for street purposes to access the Perpetual Easement and Gate 5 by crossing the concerned portion of Authority leasehold and further provides for MCRD to grant the Authority three easements (i.e., two easements for street purposes to provide access to the Perpetual Easement and the Airport and one utility easement for a storm drain); and

WHEREAS, the Agreement for Exchange of Easements will have attached as exhibits the grant of easement for street purposes by the Authority to MCRD, the two grants of easements for street purposes by MCRD to the Authority, and the grant of a utility easement for a storm drain by the Authority; and

WHEREAS, staffs of the Authority and MCRD have identified the need for an additional agreement, Agreement for Use of Easements, which will allocate between MCRD and the Authority the use of the three easements for street purposes (one granted by the Authority and two granted by MCRD) that are to be granted pursuant to the Agreement for Exchange of Easements; and

WHEREAS, the provision of quitclaims by Authority to MCRD for Parcel 4 under the Runway Extension Lease in addition to the Right of Entry ("ROE") for Green Build storm drainage will be given in exchange for a utility easement for storm drainage to replace the Parcel 4 and ROE parcel; and

WHEREAS, the Board determines that the simultaneous execution of the: (1) Exclusive Use Agreement, (2) Agreement for Exchange of Easements and the associated grants of easements, (3) Agreement for Use of Easements, and (4) Quitclaims in exchange for an additional storm drain easement, is in the best interests of the Authority; and

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to take necessary and appropriate action to execute simultaneously all agreements with MCRD and NAVFAC including the Exclusive Use Agreement, the Agreement for Exchange of Easements and related easements, the Agreement for Use of Easements, and the quitclaims in exchange for an additional storm drain easement, and any related agreements, under terms and conditions that best serve the interest of the Authority; and

BE IT FURTHER RESOLVED that the Board hereby ADOPTS the above recitals for incorporation in this resolution.

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 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 regular meeting this 3rd day of November, 2011, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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