

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY



## BOARD MEMBERS

DAVID ALVAREZ  
LAURIE BERMAN\*  
C. APRIL BOLING  
GREG COX  
JIM DESMOND  
COL. JOHN FARNAM\*  
ROBERT H. GLEASON  
LLOYD B. HUBBS  
JIM JANNEY  
ERAINA ORTEGA\*  
PAUL ROBINSON  
MARY SESSOM

\* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO  
THELLA F. BOWENS

**REVISED 2/12/15**

## **BOARD**

## **AGENDA**

Thursday, February 19, 2015  
9:00 A.M.

San Diego International Airport  
Commuter Terminal – 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?EntryId=1954>***

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.*

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**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**BOARD BUSINESS:**

- **APPOINTMENT OF EXECUTIVE COMMITTEE MEMBERS AND ELECTION OF THE VICE CHAIR OF THE BOARD:**

**PRESENTATION:**

**A. FINANCIAL UPDATE OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2014 AND 2013, AND REVIEW OF THE FISCAL YEAR 2016 – FISCAL YEAR 2017 BUDGET CALENDAR:**

Presented by Michael Sears, Director, Financial Management; and Kathy Kiefer, Senior Director, Finance & Asset Management

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Committee Members: Gleason, Hollingworth, Hubbs (Vice Chair), Sessom, Tartre, Van Sambeek
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Committee Members: Alvarez, Gleason, Hubbs (Chair), Robinson
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Committee Members: Cox, Desmond (Chair), Hubbs, Sessom
- **FINANCE COMMITTEE:**  
Committee Members: Alvarez, Cox (Chair), Hubbs, Robinson, Sessom

***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:**  
Liaison: Robinson
- **ART ADVISORY COMMITTEE:**  
Committee Member: Gleason

### ***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Liaison: Robinson
- **CALTRANS:**  
Liaison: Berman
- **INTER-GOVERNMENTAL AFFAIRS:**  
Liaison: Cox
- **MILITARY AFFAIRS:**  
Liaison: Farnam
- **PORT:**  
Liaisons: Cox, Gleason (Primary), Robinson

### ***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Hubbs
- **WORLD TRADE CENTER:**  
Representatives: Alvarez, Gleason (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 Board meetings.

RECOMMENDATION: Approve the minutes of the January 15, 2015, 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 Russell, Director/Authority Clerk)**

**3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM DECEMBER 8, 2014 THROUGH JANUARY 25, 2015, AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 8, 2014 THROUGH JANUARY 25, 2015:**

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

**(Procurement: Jana Vargas, Director)**

**4. FEBRUARY 2015 LEGISLATIVE REPORT:**

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2015-0014, approving the February 2015 Legislative Report.

**(Inter-Governmental Relations: Michael Kulis, Director)**

**5. APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:**

The Board is requested to make appointments.

RECOMMENDATION: Adopt Resolution No. 2015-0015, making appointments to Board committees, liaison positions, the SANDAG Transportation Committee, and the World Trade Center Board.

**(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)**

## ***CLAIMS***

### **6. REJECT THE CLAIM OF MARIA BERMUDEZ:**

The Board is requested to reject the claim.

RECOMMENDATION: Adopt Resolution No. 2015-0016, rejecting the claim of Maria Bermudez.

**(Legal: Breton Lobner, General Counsel)**

## ***COMMITTEE RECOMMENDATIONS***

### **7. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2014:**

The Board is requested to accept the report.

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

**(Finance & Asset Management: Kathy Kiefer, Senior Director)**

### **8. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF DECEMBER 31, 2014:**

The Board is requested to accept the report.

RECOMMENDATION: The Finance Committee recommends that the Board accept the report.

**(Financial Management: Michael Sears, Director)**

### **9. FISCAL YEAR 2015 SECOND QUARTER AUDIT ACTIVITIES REPORT, AND AUDIT RECOMMENDATIONS ISSUED BY THE OFFICE OF THE CHIEF AUDITOR:**

The Board is requested to receive the report.

RECOMMENDATION: The Audit Committee recommends that the Board receive the report.

**(Audit: Mark A. Burchyett, Chief Auditor)**

### **10. REVISION TO FISCAL YEAR 2015 AUDIT PLAN OF THE OFFICE OF THE CHIEF AUDITOR:**

The Board is requested to accept the information.

RECOMMENDATION: The Audit Committee recommends that the Board accept the information.

**(Audit: Mark A. Burchyett, Chief Auditor)**

## ***CONTRACTS AND AGREEMENTS***

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

**11. AWARD A CONTRACT TO ENSLEY ELECTRIC, INC. FOR RUNWAY 09 DISPLACED THRESHOLD RELOCATION AT SAN DIEGO INTERNATIONAL AIRPORT:**

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2015-0017, awarding a contract to Ensley Electric, Inc., in the amount of \$1,427,895 for Project No. 104087, Runway 09 Displaced Threshold Relocation at San Diego International Airport, with award conditional upon the Federal Aviation Administration (FAA) agreeing to modification of the indemnity clause in its reimbursable agreement.

**(Facilities Development: Iraj Ghaemi, Director)**

**12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MJE MARKETING SERVICES, INC. TO PROVIDE ON-CALL STRATEGIC MARKETING, ADVERTISING AND CREATIVE SERVICES AT SAN DIEGO INTERNATIONAL AIRPORT:**

The Board is requested to execute an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0018, approving and authorizing the President/CEO to execute an agreement with MJE Marketing Services, Inc. for an initial three-year term, with two (2) one-year options exercisable at the sole discretion of the President/CEO, in an amount not to exceed \$1,800,000, to provide on-call strategic marketing, advertising and creative services.

**(Vision, Voice & Engagement: Diana Lucero, Director)**

**13. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO INCREASE THE DURATION OF THE TURNER/PCL/FLATIRON – A JOINT VENTURE AGREEMENT FOR THE TERMINAL DEVELOPMENT PROGRAM CONTRACT 1: TERMINAL 2 WEST BUILDING AND AIRSIDE EXPANSION:**

The Board is requested to execute a third amendment.

RECOMMENDATION: Adopt Resolution No. 2015-0019, approving and authorizing the President/CEO to execute a Third Amendment to the agreement with Turner/PCL/Flatiron – A Joint Venture, increasing the agreement time by 253 days, for a total of 1673 days, for the Terminal Development Program Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport (SDIA) to reroof Terminal 2 West existing.

**(Airport Design & Construction: Bob Bolton, Director)**

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**14. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL PROGRAM MANAGEMENT AND SUPPORT SERVICES AGREEMENT WITH AECOM TECHNICAL SERVICES, INC.:**

The Board is requested to approve an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0020, approving and authorizing the President/CEO to negotiate and execute an On-Call Program Management and Support Services Agreement with AECOM Technical Services, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$60,000,000, in support of the Capital Improvement and Major Maintenance Programs, at the San Diego International Airport.

**(Facilities Development: Iraj Ghaemi, Director)**

**15. TRANSPORTATION NETWORK COMPANY (TNC) PILOT PROGRAM PARAMETERS:**

The Board is requested to provide input.

RECOMMENDATION: Provide Board input on the TNC Pilot Program parameters.

**(Ground Transportation: David Boenitz, Director)**

**CLOSED SESSION:**

**16. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**

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

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

Agency Negotiators: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.

Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.

Under Negotiation: Sale – terms and conditions.

**17. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,  
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL

**18. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

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

**19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority

San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)

**20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a) and (d)(1).)

Jennifer Cain v. San Diego County Regional Airport Authority, et al

San Diego Superior Court Case No. 37-2014-00030402-CU-PO-CTL

**21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a) and (d)(1).)

Joan M. Ward v. San Diego County Regional Airport Authority, et al

San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL

**22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Alice Boehm v. San Diego County Regional Airport Authority, et al.

San Diego Superior Court Case No. 37-2014-00022124-CU-PO-CTL

**23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)

Jay A. Bass, et al/v. San Diego City Employees' Retirement System, et al.,

San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL

**24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)

Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports 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:**

(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)

Number of cases: 2

**REPORT ON CLOSED SESSION:**

**NON-AGENDA PUBLIC COMMENT:**

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

**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](http://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 Commuter Terminal. Bring your ticket to the third floor receptionist for validation.**

**You may also reach the Commuter Terminal by using public transit via the San Diego MTS system, Route 992. For route and fare information, please call the San Diego MTS at (619) 233-3004 or 511.**

**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
March 19	Thursday	9:00 a.m.	Regular	Board Room
April 23	Thursday	9:00 a.m.	Regular	Board Room



# Financial Update of the Unaudited Financial Statements for the Six Months Ended December 31, 2014 and 2013, and Review of the Fiscal Year 2016 - Fiscal Year 2017 Budget Calendar

Presented by:

Kathy Kiefer

Senior Director, Finance & Asset Management

Michael Sears

Director, Financial Management

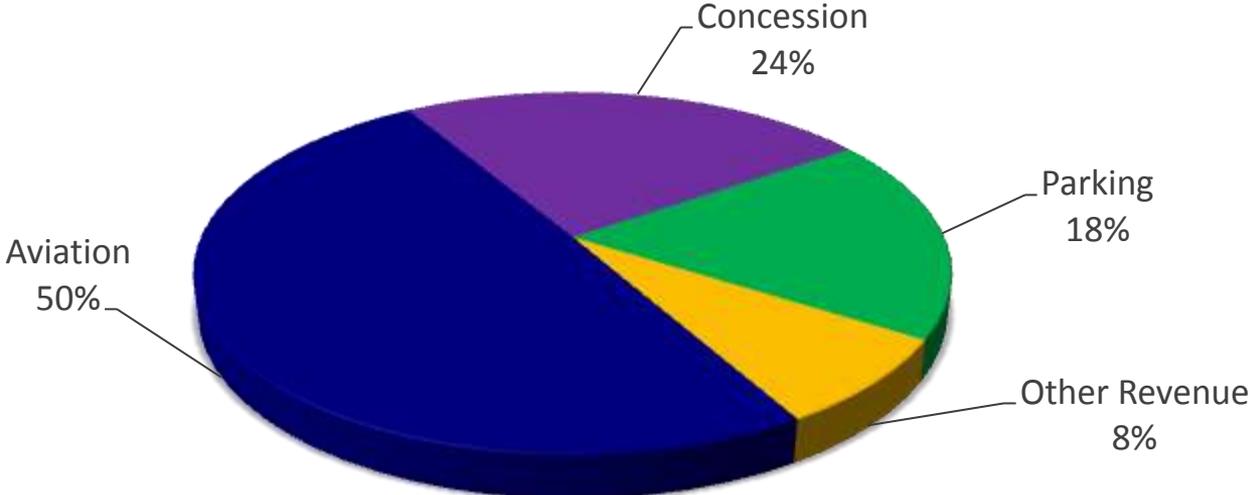
February 19, 2015



# Revenue & Expenses (Unaudited) For the Six Months Ended December 31, 2014

# Operating Revenues by Percentage for the Six Months Ended December 31, 2014 (Unaudited) (\$ in thousands)

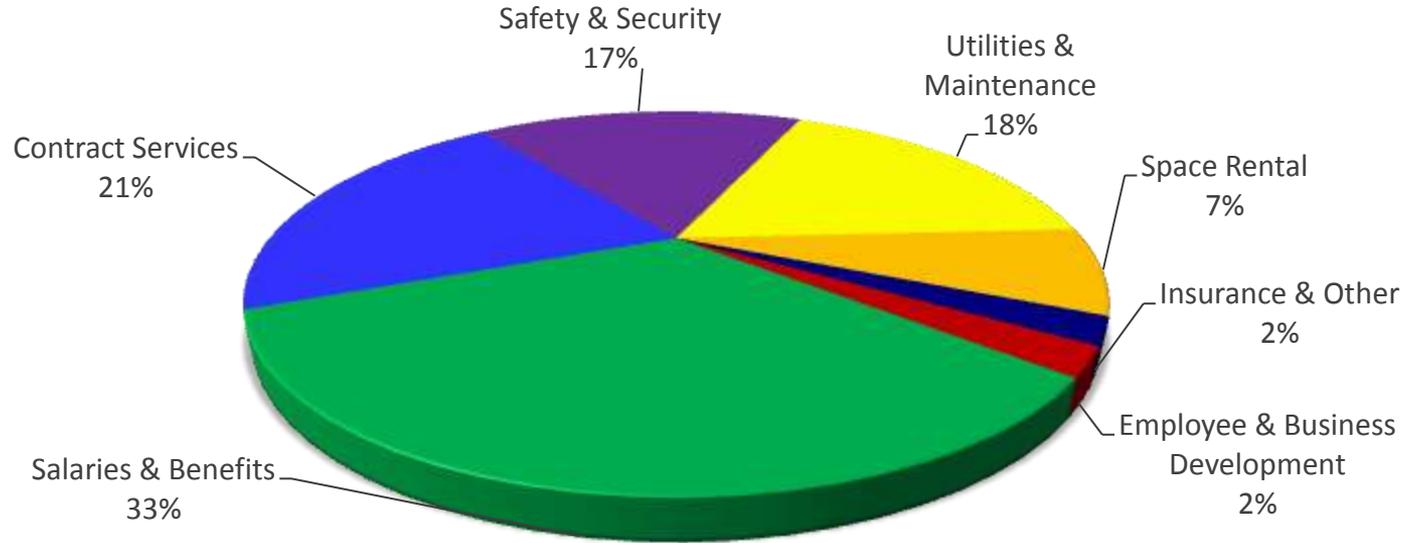
## Actual Operating Revenues by Percentage



	Aviation Revenue	Concession Revenue	Parking Revenue	Other Revenue	Total Revenue
Prior Year	\$ 48,868	\$ 23,460	\$18,503	\$ 7,240	\$ 98,071
Budget	52,984	25,022	20,138	8,291	106,435
Actual	53,133	25,883	19,690	8,316	107,022
Variance	149	861	(448)	25	587

# Operating Expenses by Percentage for the Six Months Ended December 31, 2014 (Unaudited) (\$ in thousands)

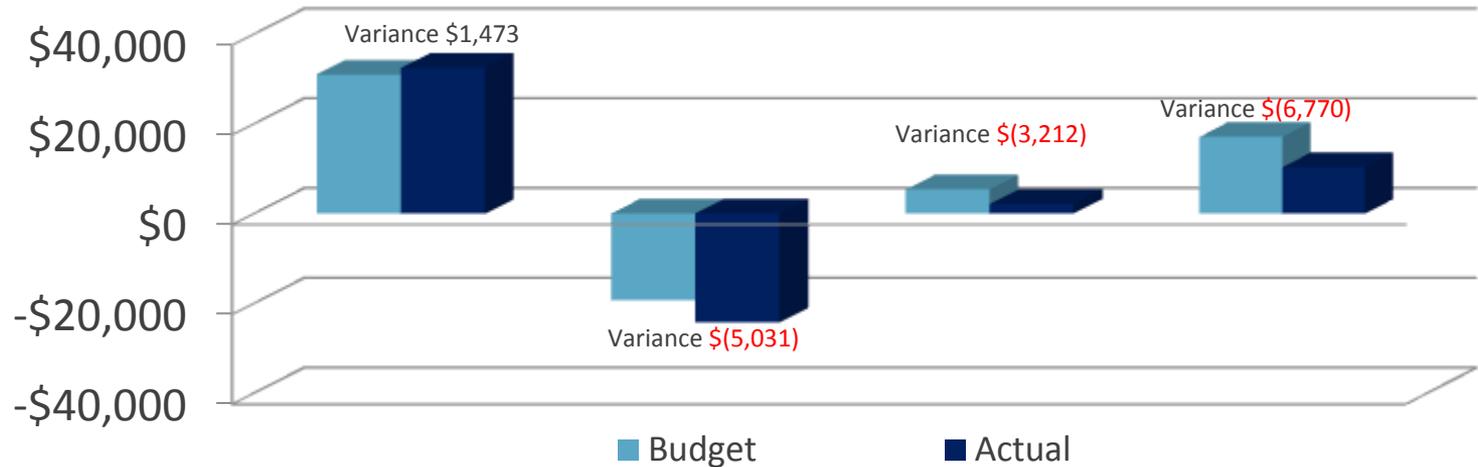
## Actual Operating Expenses by Percentage



	Salaries & Benefits	Contract Services	Safety & Security	Utilities & Maintenance	Space Rental	Insurance & Other	Employee & Business Dev.	Total Operating Expenses
Prior Year	\$ 19,792	\$ 15,308	\$ 12,260	\$ 10,526	\$ 5,190	\$ 2,053	\$ 1,631	\$ 66,760
Budget	25,324	16,610	12,348	13,165	5,239	2,852	1,912	77,449
Actual	23,478	14,654	12,123	12,569	5,220	1,614	1,690	71,348
Variance	1,846	1,956	225	596	19	1,237	222	6,101

# Non-operating Revenue & Expenses for the Six Months Ended December 31, 2014 (Unaudited) (\$ in thousands)

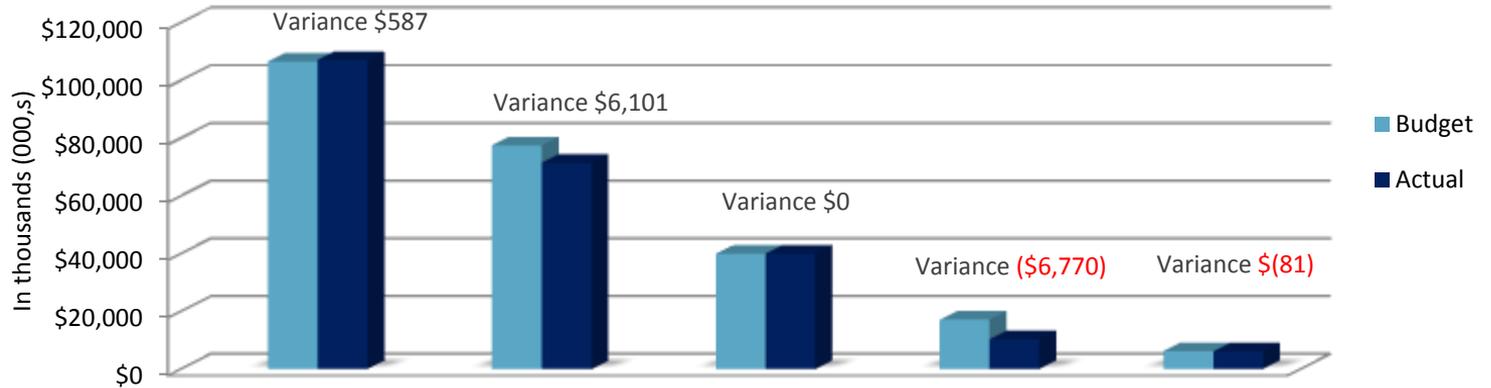
## For the Six Months Ended December 31, 2014



	Passenger Facility Charge, Customer Facility Charge, & Quieter Home Program	Interest expense, interest income, capitalized interest (net)	Capital grant contributions & other	Total non-operating revenue, (net)
Prior Year	\$ 27,714	\$ (16,140)	\$ 3,070	\$ 14,644
Budget	30,979	(19,258)	5,378	17,099
Actual	32,452	(24,289)	2,166	10,329
Variance	1,473	(5,031)	(3,212)	(6,770)

# Financial Summary

**For the Six Months Ended December 31, 2014 (unaudited)** (\$ in thousands)



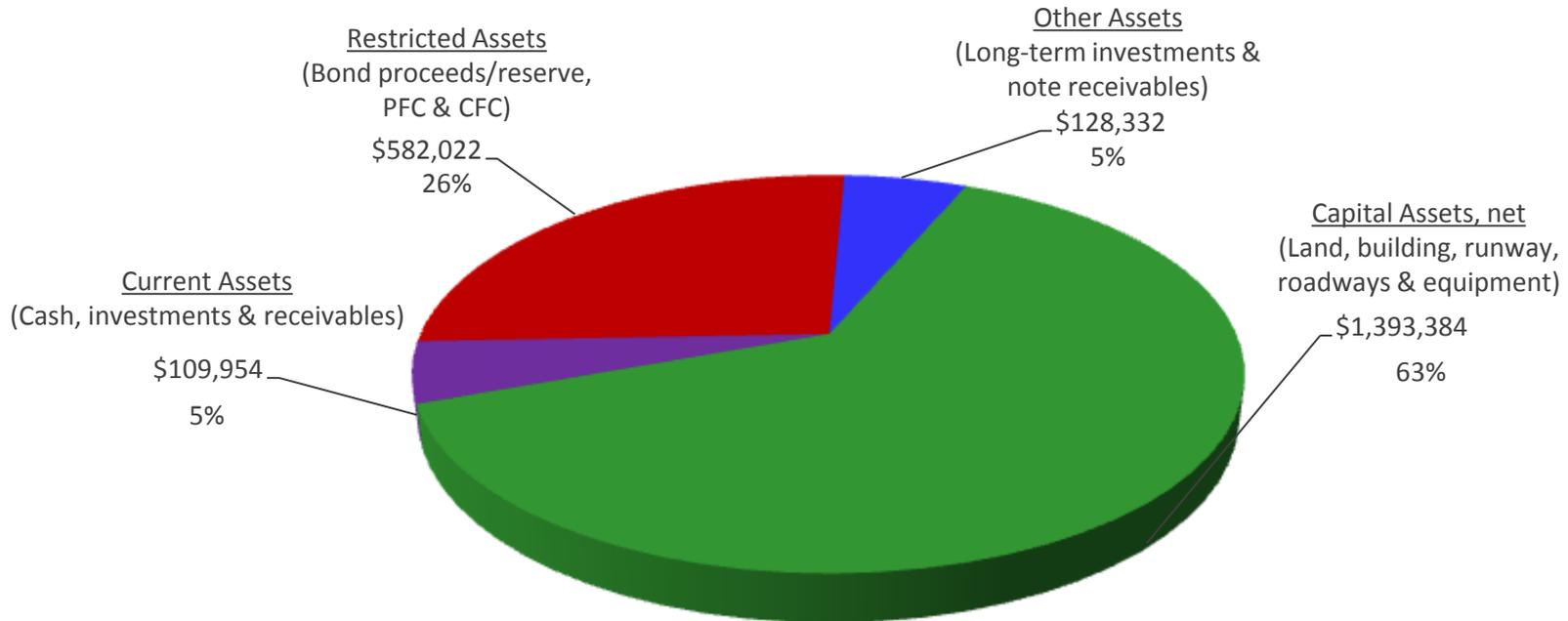
	Total operating revenues	Total operating expenses	Depreciation	Total non-operating revenues, (net)	Net Position
Prior Year	\$ 98,071	\$ 66,760	29,290	\$ 14,644	\$ 16,665
Budget	106,435	77,449	39,942	17,099	6,142
Actual	107,022	71,348	39,942	10,329	6,061
Variance	587	6,101	0	(6,770)	(81)

# Statement of Net Position, as of December 31, 2014

(Unaudited) (\$ in thousands)

## Assets

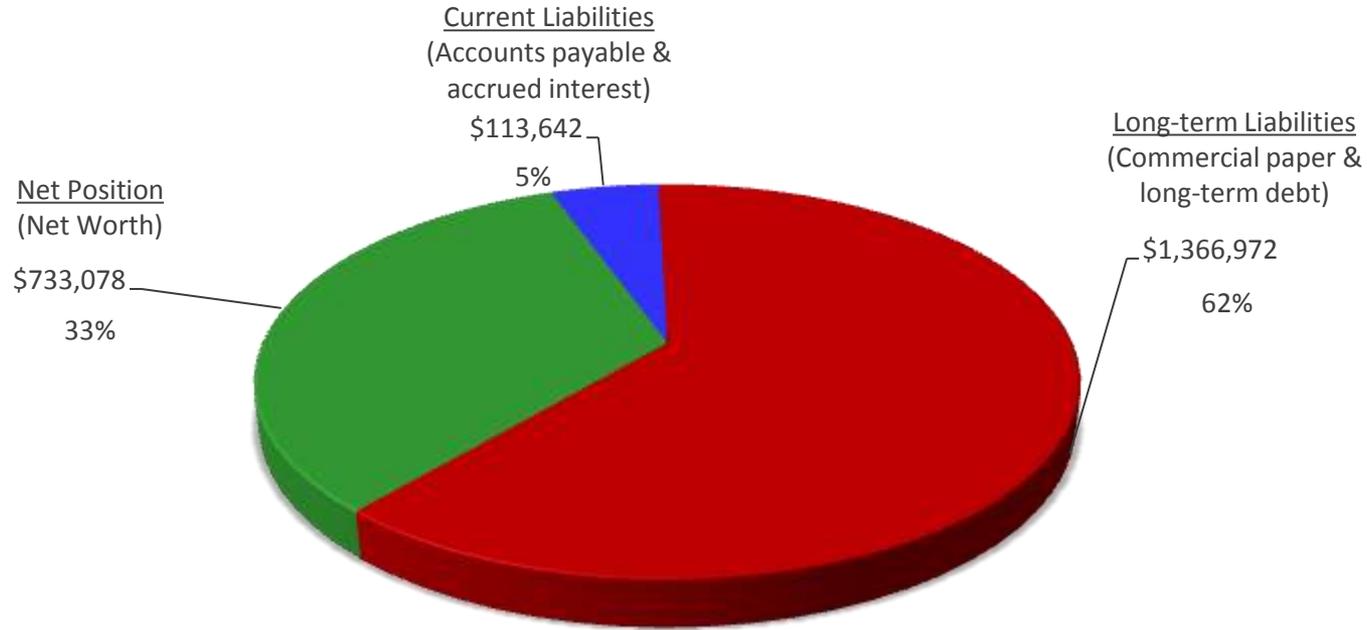
**Total: \$2,213,692**

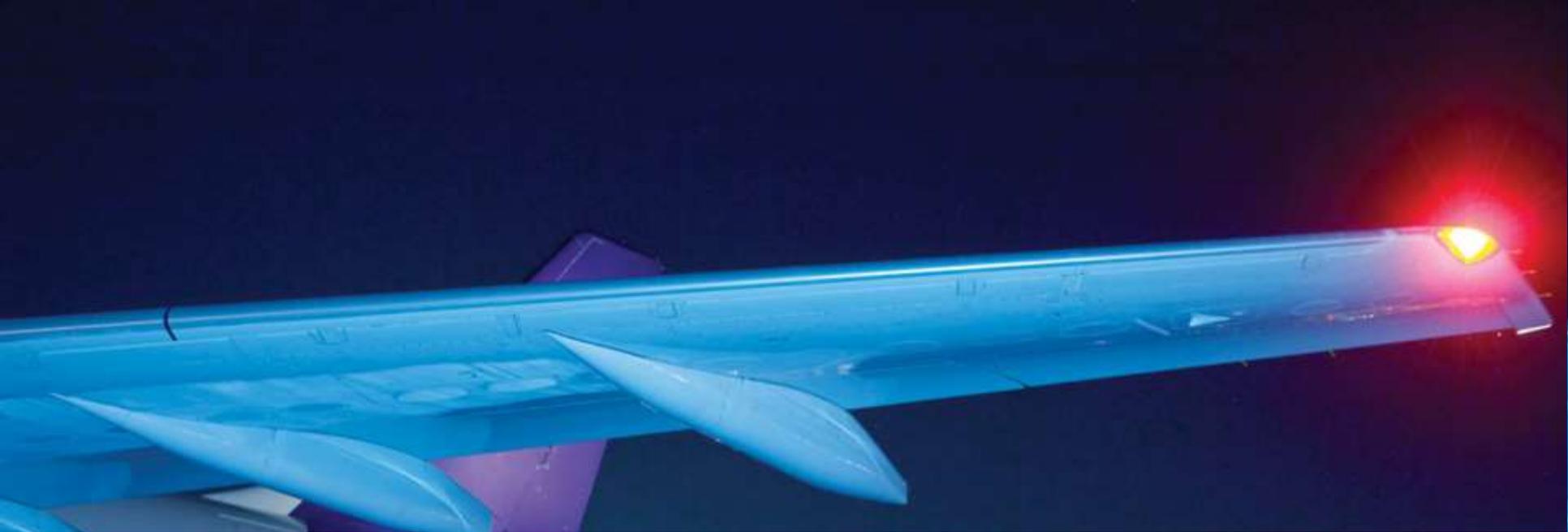


# Statement of Net Position, as of December 31, 2014

(Unaudited) (\$ in thousands)

## Liabilities & Net Position Total: \$2,213,692





# Authority's Investments

# Total Portfolio Summary

## Total Portfolio Summary

	Current Period	Prior Period	Change From Prior
	December 31, 2014	September 30, 2014	
Book Value (1)	\$340,123,000	\$350,252,000	(\$10,129,000)
Market Value (1)	\$339,696,000	\$349,872,000	(\$10,176,000)
Market Value%	99.87%	99.89%	(0.02%)
Unrealized Gain / (Loss)	(\$427,000)	(\$380,000)	(\$47,000)
Weighted Average Maturity (Days)	317 days	325 days	(8)
Weighted Average Yield as of Period End	0.53%	0.49%	0.04%
Cash Interest Received- Quarter-to-Date	\$341,000	\$311,000	\$30,000
Cash Interest Received- Year-to-Date	\$652,000	\$311,000	\$341,000
Accrued Interest	\$445,000	\$285,000	\$160,000

### Notes:

(1) Decrease in portfolio value is primarily due to capital expenditures exceeding capital receipts.



# Authority's Bond Proceeds

# Bond Proceeds Summary

As of: December 31, 2014

(in thousands)

	Series 2010	Series 2013	Series 2014	Total	Yield	Rating
<b>Project Fund</b>						
LAIF <sup>(1)</sup>	\$ -	\$ -	\$ 79,016	\$ 79,016	0.27%	N/R
SDCIP <sup>(2)</sup>	-	67,891	92,729	160,620	0.46%	AAAf
	\$ -	\$ 67,891	\$ 171,745	\$ 239,636		
<b>Capitalized Interest</b>						
SDCIP <sup>(2)</sup>	\$ -	456	\$ 24,504	\$ 24,960	0.46%	AAAf
	\$ -	\$ 456	\$ 24,504	\$ 24,960		
<b>Debt Service Reserve &amp; Coverage Funds</b>						
SDCIP <sup>(2)</sup>	\$ 30,303	\$ 33,071	\$ 13,490	\$ 76,864	0.46%	AAAf
East West Bank CD	20,694	-	-	20,694	0.75%	N/R
Torrey Pines DDA	-	-	15,063	15,063	0.50%	N/R
	\$ 50,997	\$ 33,071	\$ 28,553	\$ 112,621		
	\$ 50,997	\$ 101,418	\$ 224,802	\$ 377,217	0.44%	
*Bond proceeds are not included in deposit limits as applied to operating funds						

(1) LAIF Yield as of 11/30/2014

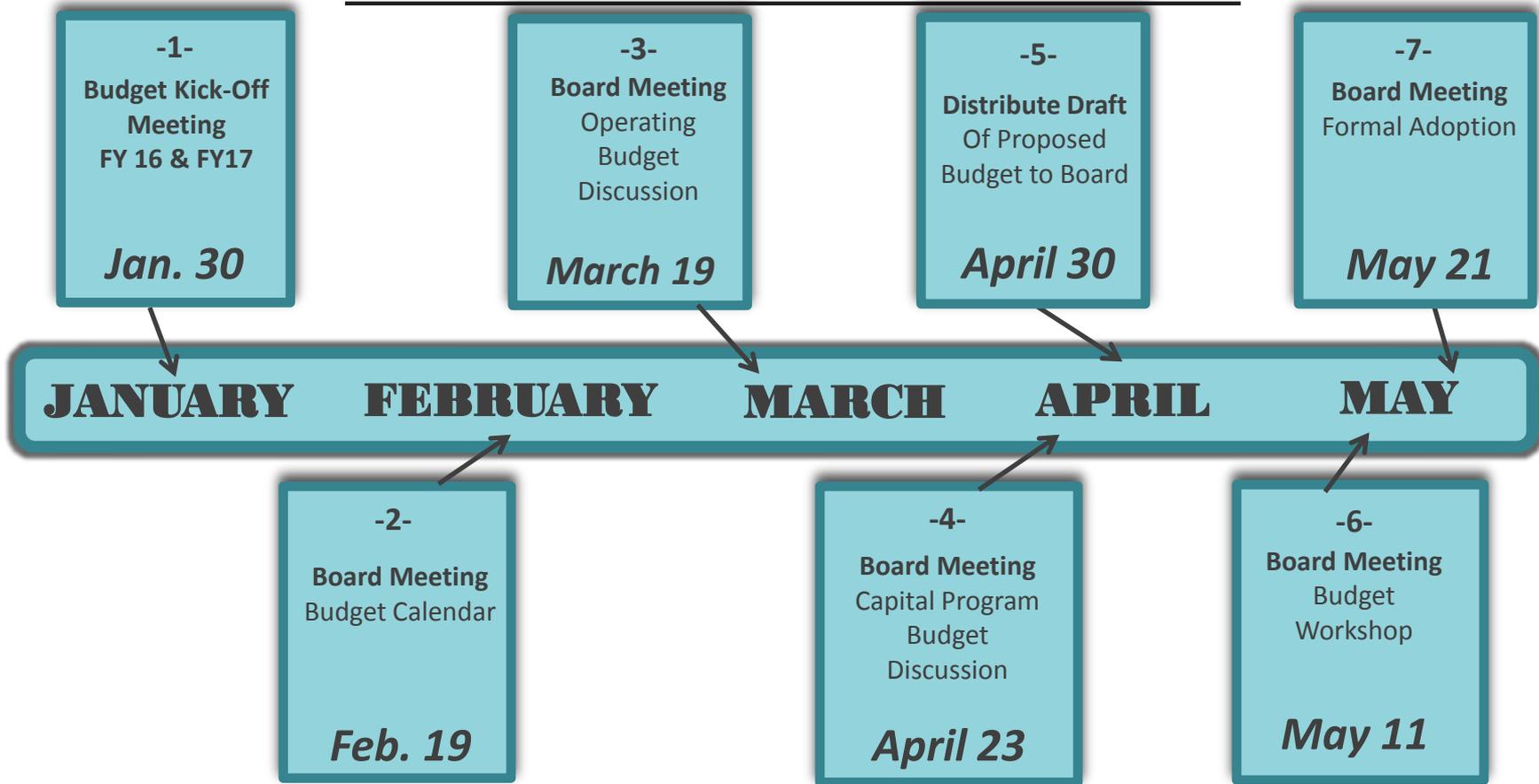
(2) SDCIP Yield as of 11/30/2014



Questions?



# TIMELINE of KEY DATES



**DRAFT  
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD  
MINUTES  
THURSDAY, JANUARY 15, 2015  
SAN DIEGO INTERNATIONAL AIRPORT  
BOARD ROOM**

**CALL TO ORDER:** Chair Gleason called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:05 a.m. on Thursday, January 15, 2015, 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 Smisek led the Pledge of Allegiance.

**ROLL CALL:**

**PRESENT:** Board Members: Alvarez, Boling, Cox, Farnam (Ex Officio), Gleason, Hubbs, Robinson, Sessom, Smisek

**ABSENT:** Board Members: Berman (Ex Officio), Desmond, Ortega (Ex Officio)

**ALSO PRESENT:** Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Lorraine Bennett, Assistant Authority Clerk II

Chair Gleason recognized and thanked Board Member Smisek for his service on the Authority Board.

**PRESENTATION:**

**A. NORTHSIDE CARGO DEVELOPMENT PROJECT UPDATE:**

Eric Podnieks, Real Estate Manager, Business and Financial Management, and Michael Sears, Director, Financial Management, provided a presentation on the Northside Cargo Development Project, which included Background – Northside Development Master Plan-EIR adopted May 2008, Northside Development-4<sup>th</sup> Quarter 2014, SAN Ranking for Cargo-North America, Air Cargo Market Share San Diego International Airport, General Site Plan (as of 4<sup>th</sup> Quarter 2014), Estimated Capital Cost; Financing Considerations; Project Feasibility and Assessment Project, and Schedule Target Dates.

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Board Member Smisek announced that the next Committee Meeting is scheduled on February 9, 2015.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Board Member Hubbs announced that the next Committee Meeting is scheduled on January 22, 2015.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Chair Gleason announced that the next Committee Meeting is scheduled on January 21, 2015.
- **FINANCE COMMITTEE:** None

***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:**  
Board Member Smisek announced that the next Committee Meeting is scheduled for March 2015, to discuss the Airport Development Plan.
- **ART ADVISORY COMMITTEE:**  
Chair Gleason reported that the Travel Desk display in Terminal 2 East is completed. He also provided an update on the temporary installations that are themed all about Balboa Park, noting that 15 of the 31 exhibits have been installed.

***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:** None.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Board Member Cox reported that on January 13<sup>th</sup>, Mayor Sessom provided an airport update to the El Cajon City Council, and that she is also scheduled to update the La Mesa City Council on January 27<sup>th</sup>. He reported that he, together with Authority Board Members Gleason, Robinson and Boling, attended Mayor Faulconer's first State of the City Address. He reported that Authority staff is scheduled to brief San Diego Councilman Mark Kersey on January 26<sup>th</sup>, and La Mesa Councilmember Kristine Allesio on January 27<sup>th</sup>. He reported that Chairman Bill Horn will deliver his State of the County Address on February 10<sup>th</sup> at the County Administration Center. He also reported that Authority staff is scheduled to provide an airport update and airfield tour to Assembly Member Shirley Weber on February 20<sup>th</sup>.

- **MILITARY AFFAIRS:**  
Colonel Farnam reported that the Secretary of Defense, Chuck Hagel visited the Marine Corps Air Station Miramar and spoke to service members.
- **PORT:**  
Chair Gleason reported that he attended the swearing in of the new Port Commission Officers on January 13, 2015, and spoke with Port Chair, Dan Malcolm, about his desire to continue joint Port/Airport leadership meetings.

### ***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek reported that the Committee met in December, 2014, to discuss transfer of funds to the Wi-Fi project for the Rapid Bus Service, the third phase of the TransNet Smart Growth Incentive Program, the Active Transportation Grant Program, and a Toolbox for Parking Management for Local Jurisdictions.
- **WORLD TRADE CENTER:** None.

### **CHAIR'S REPORT:**

Chair Gleason announced that the Board Retreat is scheduled on February 27<sup>th</sup> and 28<sup>th</sup>. He stated that a new Executive Committee Member representing the surrounding cities will have to be elected at the February Board Meeting. He stated that new Committee assignments will be made in February, and he encouraged Board members to let him know if anyone was interested in serving on other Committees, as well as interest in representation at upcoming conferences and delegations.

### **PRESIDENT/CEO'S REPORT:**

Thella F. Bowens, President/CEO, reported that San Diego International Airport served a record 18.7 million passengers in 2014, the highest total since 2007. She also reported that during the holiday travel period, that there was a 5% year over year increase for the month of December. She announced the opening of three new concessions at the Airport; Pete's Coffee and Tea, Panda Express, and Jack-in-the-Box. She announced the upcoming Quieter Home Program 3,000 home celebration, and also reported that on January 14, 2015, the Airport and U.S. Customs and Border Protection introduced eight new Automated Passport Control kiosks, located in the Airport's Federal Inspection Services area, which will allow passengers to submit their customs declaration and personal information electronically. She reported that Senator Charles Schumer has proposed that the Transportation Security Administration conduct daily federal screenings of airport and airline workers for weapons, following recent arrests at New York and Atlanta airports. She stated

that she would keep the Board apprised on this issue. She also reported that the Airports Council International and American Association of Airports Executives, as well as the U.S. Travel Association have sent a letter to the House and Senate Committee leadership, asking for an increase in the Passenger Facility Charge as part of the Reauthorization Bill. She stated that this will have major implications on future funding for the Authority capital programs, and the Airport Development Plan.

**NON-AGENDA PUBLIC COMMENT:**

ALFRED BANKS, SAN DIEGO, distributed a handout for the Board, and expressed concerns with taxicab regulations, and not having a voice at monthly meetings.

Chair Gleason referred the matter to staff, to provide a response to the Board.

**CONSENT AGENDA (Items 1-15):**

Chair Gleason stated that he would be abstaining on item 8, due to a potential conflict of interest.

**ACTION: Moved by Board Member Robinson and seconded by Board Member Smisek to approve the Consent Agenda. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT 12).**

1. **APPROVAL OF MINUTES:**  
RECOMMENDATION: Approve the minutes of the December 4, 2014, 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:**  
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 NOVEMBER 10, 2014 THROUGH DECEMBER 7, 2014 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM NOVEMBER 10, 2014 THROUGH DECEMBER 7, 2014:**  
RECOMMENDATION: Receive the report.
4. **JANUARY 2015 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2015-0001, approving the January 2015 Legislative Report.

5. **AMEND POLICY 5.13, LOCAL BUSINESS OPPORTUNITIES, TO INCREASE THE PERCENTAGE OF LOCAL WORKFORCE BASED IN THE LOCAL OFFICE:**  
RECOMMENDATION: Adopt Resolution No. 2015-0002, amending Policy 5.13, Local Business Opportunities, to increase the local workforce percentage based in the local office from twenty-five percent (25%) to a level exceeding fifty percent (50%).

### ***CLAIMS***

6. **REJECT THE CLAIM OF JOANN AUSTIN:**  
RECOMMENDATION: Adopt Resolution No. 2015-0003, rejecting the claim of JoAnn Austin.
7. **REJECT THE CLAIM OF ELLEN FRANGER:**  
RECOMMENDATION: Adopt Resolution No. 2015-0004, rejecting the claim of Ellen Franger.

### ***COMMITTEE RECOMMENDATIONS***

8. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION FOR DEPOSITORY BANKING SERVICES AND MERCHANT CREDIT CARD SERVICES:**  
RECOMMENDATION: The Finance Committee recommends that the Board adopt Resolution No. 2015-0005, approving and authorizing the President/CEO to negotiate and execute an agreement with U.S. Bank National Association (U.S. Bank) for depository banking services and merchant credit card services for a term of three years with two one-year options to extend the term and a maximum amount payable not-to-exceed \$2,500,000.

### ***CONTRACTS AND AGREEMENTS***

9. **AWARD A CONTRACT TO EC CONSTRUCTORS, INC. FOR TERMINAL CONCESSIONS DIRECTORIES AT SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2015-0006, awarding a contract to EC Constructors, Inc., in the amount of \$598,315, for Project No. 104168A, Terminal Concessions Directories at San Diego International Airport.
10. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THE STATE LEGISLATIVE CONSULTING SERVICES AGREEMENT WITH MANATT, PHELPS & PHILLIPS, LLP:**  
RECOMMENDATION: Adopt Resolution No. 2015-0007, approving and authorizing the President/CEO to execute a first amendment to the state legislative consulting services agreement with Manatt, Phelps & Phillips, LLP, extending the term of the agreement by nine months to expire October 31, 2015, and increasing the agreement amount by \$115,300, resulting in a revised total maximum amount payable of \$736,900.

- 11. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MCBEE STRATEGIC CONSULTING, LLC, FOR FEDERAL LEGISLATIVE CONSULTING SERVICES:**  
RECOMMENDATION: Adopt Resolution No. 2015-0008, approving and authorizing the President/CEO to execute an agreement with McBee Strategic Consulting, LLC, for Federal Legislative Consulting Services in an amount not-to-exceed \$887,000, for a term of three-years, with two one-year extensions, exercisable at the exclusive option of the President/CEO.
- 12. AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 8, GROUP 4, PROJECT NO. 380804 (24 HISTORIC AND NON-HISTORIC SINGLE AND MULTI-FAMILY UNITS ON 6 RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE AIRPORT):**  
RECOMMENDATION: Adopt Resolution No. 2015-0009, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$764,050, for Phase 8, Group 4, Project No. 380804, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

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

- 13. AWARD A CONTRACT TO ORION CONSTRUCTION CORPORATION TO CONSTRUCT THE NORTH SIDE UTILITY STORM DRAIN TRUNK AT SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2015-0010, awarding a contract to Orion Construction Corporation in the amount of \$10,396,680, for Project No. 104118E, North Side Utility Storm Drain Trunk at San Diego International Airport.
- 14. APPROVE AND AUTHORIZE AN INCREASE IN THE PRESIDENT/CEO'S CHANGE ORDER AUTHORITY FOR CONSTRUCT ELECTRICAL DISTRIBUTION SYSTEM (12KV) PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2015-0011, approving and authorizing an increase in the President/CEO's change order authority from \$650,280 to an amount not to exceed \$1,807,300, for Project No. 104136, Construct Electrical Distribution System (12kV) at San Diego International Airport.
- 15. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A FIRST AMENDMENT TO THE SOLAR POWER PURCHASE AGREEMENT WITH LINDBERG FIELD SOLAR 1, LLC:**  
RECOMMENDATION: Adopt Resolution No. 2015-0012, approving and authorizing the President/CEO to negotiate and execute a First Amendment to the Solar Power Purchase Agreement with Lindberg Field Solar 1, LLC, to implement a solar photovoltaic generating system at Terminal 2 West, San Diego International Airport.

*The Board recessed at 9:50 a.m. and reconvened at 9:51 a.m.*

**PUBLIC HEARINGS:** None

**OLD BUSINESS:** None

**NEW BUSINESS:**

Chair Gleason announced that Item 17 would be taken out of order.

**17. ADOPT POLICY 5.15 EQUAL BENEFITS FOR SPOUSES AND DOMESTIC PARTNERS:**

Board Member Hubbs expressed concern about the potential for non-compliance of the policy by contractors, and that there will be significant problems with the implementation.

Breton Lobner, General Counsel, stated that the awardee of the contract will be required to comply with the terms and conditions of the contract. He further stated that staff is not aware of any problems with the 16 locations who have implemented similar programs, and that any issues that may arise will be reported to the Board

RECOMMENDATION: Adopt Resolution No. 2015-0013, approving the adoption of Policy 5.15 "Equal Benefits for Spouses and Domestic Partners", to ensure that contractors and lessees provide equal benefits between employees with spouses and employees with domestic partners, and between dependents and family members of spouses and dependents and family members of domestic partners.

**ACTION: Moved by Board Member Alvarez and seconded by Board Member Cox to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Boling, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO – None; ABSENT – Desmond. (Weighted Vote Points: YES – 88; NO – 0; ABSENT 12).**

*The Board recessed at 9:55 a.m., and reconvened at 10:10 a.m.*

**16. AIRPORT DEVELOPMENT PLAN CONCEPTS EVALUATION:**

Keith Wilschetz, Director, Airport Planning, and Michael Sears, Director, Financial Management, provided a presentation on the Airport Development Plan (ADP) Concepts Evaluation, which included Public Stakeholder Outreach, Update on the ADP Process, Terminal Concepts Overview, Preliminary Cost Estimates/Financial Approach, Alternatives Evaluation Methodology, and Next Steps.

*Board Member Cox left the meeting at 10:51 a.m.*

Board Member Smisek reported that input provided by the Airport Advisory Committee on the plan was focused towards environmental impacts, and plan financing.

Board Member Alvarez requested that staff include what facilities are being replaced, in the Preliminary Phasing Plan.

Chair Gleason expressed the need to lobby members of the federal delegation about why increasing the Passenger Facility Charges (PFC's) is important to this airport.

Thella Bowens, President/CEO, stated that as staff moves forward with the ADP financing plan, it will address what will happen with PFC's in order to provide the Board with informed decisions on how to move forward. She also stated that staff will be inviting delegations to visit the airport, and encouraged the Board to be highly engaged with the California delegation, as well as any other delegation that the Board has access to, to address increasing PFC's.

Chair Gleason stated that owning the land at Laurel Street and Pacific Highway would be helpful and suggested that it be on the table as part of the conversation and requested that it be studied. Ms. Bowens stated that staff will provide a presentation to the Board, which will include the roadway system for that area.

ADRIAN KWIATKOWSKI, SAN DIEGO, representing the Transport Alliance Group (TAG) requested that TAG be included as part of the stakeholder group in the ADP planning process, and he suggested the establishment of a transportation stakeholder committee.

RECOMMENDATION: Receive the information.

Board Member Alvarez spoke in support of Alternatives 3 and 4, and expressed concern with the cost difference.

Board Member Sessom spoke in support of Alternative 4. She stated that she would also support wherever the remaining three alternatives fall. She expressed concern regarding the roadway.

Board Member Smisek spoke in support of Alternative 4, and stated that if another option was needed, he would prefer Alternative 1.

Board Member Robinson spoke in support of Alternative 4. He requested that staff coordinate a meeting with Port representatives to present Alternative 4 to them because they have not seen it. Chair Gleason stated that this would be scheduled as a topic for the first meeting of the year.

Board Member Boling spoke in support of Alternatives 3 and 4 and expressed concerns with costs.

Board Member Hubbs spoke in support of Alternative 4, and agreed that Alternative 1 should stay in consideration. He expressed concerns with the costs and financing.

Chair Gleason stated that while he hears a clear preference for Alternative 4, he suggested keeping Alternative 1 for cost consideration, and to keep Alternatives 2 and 3 in the background.

**ACTION: The Board received the information and provided some direction to staff.**

**CLOSED SESSION:** The Board recessed into Closed Session at 12:13 p.m. to discuss Items 19, 24, and 27.

- 17. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**  
(Real property negotiations pursuant to Cal. Gov. Code § 54954.5(b) and § 54956.8.)  
Property: Salt Plant – 17 acre parcel located at 1470 Bay Boulevard, San Diego.  
Agency Negotiators: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.  
Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.  
Under Negotiation: Sale – terms and conditions.
- 18. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,  
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL
- 19. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
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
- 20. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority  
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)
- 22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Jennifer Cain v. San Diego County Regional Airport Authority, et al  
San Diego Superior Court Case No. 37-2014-00030402-CU-PO-CTL

- 23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code §54956.9(a) and (d)(1).)  
Joan M. Ward v. San Diego County Regional Airport Authority, et al  
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL
- 24. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Alice Boehm v. San Diego County Regional Airport Authority, et al,  
San Diego Superior Court Case No. 37-2014-00022124-CU-PO-CTL
- 25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**  
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)  
Jay A. Bass, et al v. San Diego City Employees’ Retirement System, et al.,  
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL
- 26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)  
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.  
Number of potential cases: 1
- 27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)  
Number of cases: 2

**REPORT ON CLOSED SESSION:** The Board reconvened into Open Session at 12:55 p.m. There was no reportable action.

**NON-AGENDA PUBLIC COMMENT:** None.

**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 12:56 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY BOARD THIS 19<sup>th</sup> DAY OF FEBRUARY, 2015.

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**STAFF REPORT**

Item No.

**2**

Meeting Date: **FEBRUARY 19, 2015**

**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 briefings by representatives of a local police department or a state or federal governmental agency regarding safety, security, immigration or customs affecting San Diego International Airport.***

**Fiscal Impact:**

Board and Committee Member Compensation is included in the FY 2015 Budget.

000012

**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

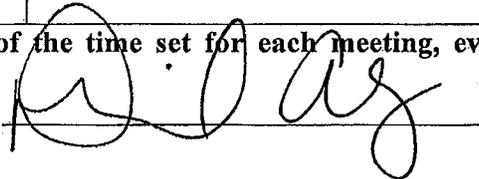
**DAVID ALVAREZ**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: January 2015

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:
DAVID ALVAREZ		1/23/2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: January 15, 2015 Time: 9 am Location: SDRCAA	Board Committee
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: January 21, 2015 Time: 10 am Location: SDRCAA	Executive Personnel & Compensation Committee
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: January 22, 2015 Time: 9 am Location: SDRCAA	Capital Improvement Committee
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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**

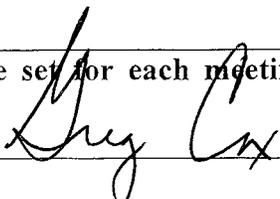
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**

Period Covered: JANUARY 1-31, 2015

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		JANUARY 22, 2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: JANUARY 5, 2015 Time: 9am Location: SDIA	SPECIAL BOARD MEETING EXECUTIVE / FINANCE COMMITTEE
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: JANUARY 15, 2015 Time: 9am Location: SDIA	BOARD MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: JANUARY 21, 2015 Time: 10:00am Location: SDIA	EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: JANUARY 22, 2015 Time: 9:00am Location: SDIA	CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE & SPECIAL BOARD MEETING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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: 

**JIM DESMOND**

SDCRAA  
 FEB 06 2015  
 Corporate & Information Governance

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: \_\_\_\_\_

**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:
<i>J. Desmond</i>		<i>2/6/15</i>
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: <i>1/21/15</i> Time: <i>9AM</i> Location: <i>SDIA</i>	<i>EPCL COMMITTEE MEETING</i>
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: *[Handwritten Signature]*

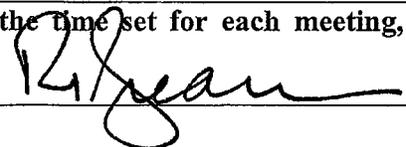
**ROBERT GLEASON**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: JANUARY 2015

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		February 6, 2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: January 12, 2015 Time: 9:00 am Location: SDCRAA offices	Art Advisory Committee meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: January 15, 2015 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: January 21, 2015 Time: 10:00 am Location: SDCRAA offices	Executive Personnel & Compensation Committee meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: January 22, 2015 Time: 9:00 am Location: SDCRAA offices	CIPO Committee meeting
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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: 

**LLOYD HUBBS**

JAN 22 2015

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

Corporate &amp; Information Governance

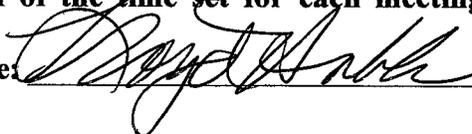
Period Covered: January 2015

**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 2009-0007. 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:
LLOYD HUBBS		1-22-15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-5-15 Time: 9:00 Location: BOARD RM	Executive/Finance
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-15-15 Time: 9:00 Location: BOARD RM.	BOARD MTG.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-16-15 Time: 9:00 Location: SANDAL	TRANSPORTATION COMM.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-21-15 Time: 10 Location: BOARD RM	EXECUTIVE / <del>FINANCE</del> Personnel
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-22-15 Time: 9:00 Location: BOARD RM	CIPOC
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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**

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

Period Covered: 1/31/15

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:
Paul E. Robinson		
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>1/5/15</u> Time: <u>9:00 - 10:30 a.m.</u> Location: <u>SDCRAA Bd Rm</u>	<u>Extra / Finance Commr Mtgs.</u>
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>1/15/15</u> Time: <u>9:00 - 1:00</u> Location: <u>SDCRAA Bd Rm</u>	<u>SDCRAA Bd / ALVC Mtgs.</u>
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>1/22/15</u> Time: <u>9:00 - 10:30</u> Location: <u>SDCRAA Bd Rm</u>	<u>CPDIA Mtg</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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**

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

Period Covered: November 2014

**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 T. Sessom		1/19/2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 11/11 Time: 7:30am Location: Edgemore, Santee	Kiwanis meeting / presentation on green Build and ADP and Gillespie
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 11/17 Time: 1000 Location: Board Room	Audit Committee
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 11/18 Time: 8:00 Location: Gillespie Terminal	meeting with Gillespie field staff Santee Mayor & Councilmember & airport staff re citizen complaints
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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 T. Sessom*

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: December 2014

**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 T. Sessom		1/18/2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 12/10 Time: 6:00pm Location: Paradise Point	Speak @ Ambassador Annual Holiday Dinner
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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 T. Sessom

**TOM SMISEK**

## SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Member Event/Meeting/Training Report Summary

Period Covered: JANUARY 1-31, 2015

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 2009-0007. 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:
Tom SMISEK		JANUARY 22, 2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-5-2015 Time: 9:00 AM Location: SDIA	SDCRAA EXECUTIVE/FINANCE/SPECIAL BOARD MEETING.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-15-2015 Time: 9:00 AM Location: SDIA	SDCRAA BOARD MEETING.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-16-2015 Time: 9:00 AM Location: SANDAG	SANDAG TRANSPORTATION COMMITTEE MTG - SDCRAA REPRESENTATIVE
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-21-2015 Time: 10:00 AM Location: SDIA	SDCRAA EXECUTIVE COMP/PERS COMMITTEE MEETING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 1-22-2015 Time: 9:00 AM Location: SDIA	SDCRAA SPECIAL BOARD MTG/CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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: Tom Smisek

**DON TARTRE**

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

Period Covered: 2/9-15

**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:
<i>Don Tardua</i>		2/9-15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <i>2/9-15</i> Time: <i>10 AM</i> Location: <i>BoA Rm</i>	<i>AR Atg</i>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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: \_\_\_\_\_

**JACK VAN SAMBEEK**

SDCRAA  
 FEB 09 2015  
 Corporate & Information Governance

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

Period Covered: Feb 9 2015

**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:
Van Saubek Jack		Feb 9 2015
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Feb 9 Time: 10 am Location: SB Chambers	Audit Committee
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> 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: J P Van Saubek



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
3**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Awarded Contracts, Approved Change Orders from December 8, 2014 through January 25, 2015 and Real Property Agreements Granted and Accepted from December 8, 2014 through January 25, 2015**

**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

000014

**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 DECEMBER 8, 2014 - JANUARY 25, 2015**

 <p align="center"><b><u>New Contracts</u></b></p>							
Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
12/30/14	N/A	Carahsoft Technology Corporation	The Contractor will provide maintenance, support services, and web-based upgrades for the Business Objects Enterprise BOE/SAP software at Enterprise support level for San Diego County Regional Airport Authority.	RFB	R. Belliotti	\$92,560.48	12/12/15
01/09/15	N/A	Emagine Digital, Inc.	The Contractor will produce, deliver, and install graphic signs on an on-call basis at San Diego International Airport.	Informal RFP	D. Lucero	\$49,999.00	05/31/16
01/08/15	N/A	Passur Aerospace, Inc.	The Contractor will provide flight tracking and flight identification data feed for the Airport Noise and Operations Monitoring System (ANOMS). The software used is proprietary to Passur Aerospace, Inc. and it is essential to contract directly with Passur Aerospace for continued support service.	Sole Source	S. Knack	\$69,999.00	12/18/15
1/9/15	N/A	Print- O- Tape, Inc.	The Contractor will provide self-service baggage tags for San Diego International Airport.	RFB	R. Belliotti	\$250,000.00	12/16/215
 <p align="center"><b><u>New Contracts Approved by the Board</u></b></p>							
Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
12/4/14	380802	S & L Specialty Contracting, Inc.	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will provide sound attenuation treatment to residences included in Phase 8, Group 2 of the Quieter Home Program.	RFB	S. Knack	\$ 1,415,850.00	09/18/15
12/4/14	380803	S & L Specialty Contracting, Inc.	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will provide sound attenuation treatment to residences included in Phase 8, Group 3 of the Quieter Home Program.	RFB	S. Knack	\$ 1,640,050.00	09/10/15
12/2/14	104176	Granite Construction Company, Inc.	This contract was approved by the Board at the September 4, 2014 Board Meeting. The Contractor will construct a North Side bypass taxiway at San Diego International Airport.	RFB	I. Ghaemi	\$ 5,698,868.00	TBD
12/8/14	104182	M.W. Vasquez Construction	This contract was approved by the Board at the November 6, 2014 Board Meeting. The contractor will install the Common Use Passenger Processing System (CUPPS) at seven gates in Terminal 2 East at San Diego International Airport.	RFB	I. Ghaemi	\$ 565,915.00	TBD
12/29/14	N/A	Nolte Associates, Inc. an NV5 Company	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will provide on-call survey consultant services in support of capital improvement and major maintenance programs at San Diego International Airport.	RFQ	I. Ghaemi	\$ 2,000,000.00	12/31/17
1/8/15	N/A	Ueberall International LLC	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will design integrated artwork for the Rental Car Center at San Diego International Airport.	RFQ	L. Lockhart	\$800,000.00	05/31/16

000016

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN DECEMBER 8, 2014 - JANUARY 25, 2015**

 <p align="center"><b><u>New Contracts</u></b></p>							
Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
12/30/14	N/A	Carahsoft Technology Corporation	The Contractor will provide maintenance, support services, and web-based upgrades for the Business Objects Enterprise BOE/SAP software at Enterprise support level for San Diego County Regional Airport Authority.	RFB	R. Belliotti	\$92,560.48	12/12/15
01/09/15	N/A	Emagine Digital, Inc.	The Contractor will produce, deliver, and install graphic signs on an on-call basis at San Diego International Airport.	Informal RFP	D. Lucero	\$49,999.00	05/31/16
01/08/15	N/A	Passur Aerospace, Inc.	The Contractor will provide flight tracking and flight identification data feed for the Airport Noise and Operations Monitoring System (ANOMS). The software used is proprietary to Passur Aerospace, Inc. and it is essential to contract directly with Passur Aerospace for continued support service.	Sole Source	S. Knack	\$69,999.00	12/18/15
1/9/15	N/A	Print- O- Tape, Inc.	The Contractor will provide self-service baggage tags for San Diego International Airport.	RFB	R. Belliotti	\$250,000.00	12/16/215
 <p align="center"><b><u>New Contracts Approved by the Board</u></b></p>							
Date Signed	CIP #	Company	Description	Solicitation Method	Owner	Contract Value	End Date
12/4/14	380802	S & L Specialty Contracting, Inc.	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will provide sound attenuation treatment to residences included in Phase 8, Group 2 of the Quieter Home Program.	RFB	S. Knack	\$ 1,415,850.00	09/18/15
12/4/14	380803	S & L Specialty Contracting, Inc.	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will provide sound attenuation treatment to residences included in Phase 8, Group 3 of the Quieter Home Program.	RFB	S. Knack	\$ 1,640,050.00	09/10/15
12/2/14	104176	Granite Construction Company, Inc.	This contract was approved by the Board at the September 4, 2014 Board Meeting. The Contractor will construct a North Side bypass taxiway at San Diego International Airport.	RFB	I. Ghaemi	\$ 5,698,868.00	TBD
12/8/14	104182	M.W. Vasquez Construction	This contract was approved by the Board at the November 6, 2014 Board Meeting. The contractor will install the Common Use Passenger Processing System (CUPPS) at seven gates in Terminal 2 East at San Diego International Airport.	RFB	I. Ghaemi	\$ 565,915.00	TBD
12/29/14	N/A	Nolte Associates, Inc. an NV5 Company	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will provide on-call survey consultant services in support of capital improvement and major maintenance programs at San Diego International Airport.	RFQ	I. Ghaemi	\$ 2,000,000.00	12/31/17
1/8/15	N/A	Ueberall International LLC	This contract was approved by the Board at the November 6, 2014 Board Meeting. The Contractor will design integrated artwork for the Rental Car Center at San Diego International Airport.	RFQ	L. Lockhart	\$800,000.00	05/31/16

000016

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN DECEMBER 8, 2014 - JANUARY 25, 2015**



**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
12/11/14	N/A	Leighfisher, Inc.	The Third Amendment revises Exhibit A entitled "Scope of Work" to include additional tasks. There is no increase in compensation.	A. Jamison	\$6,122,145.00	\$0.00	0.0%	\$6,122,145.00	2/21/2016
01/07/15	N/A	Merriwether & Williams Insurance Services	The First Amendment exercises the Authority's option to extend the contract by one year and revises language in Exhibit B entitled "Compensation & Fee Schedule". There is no increase in compensation.	S. Cruz	\$1,485,960.00	\$0.00	0.0%	\$1,485,960.00	12/10/2015
1/8/2015	N/A	SWN Communications, Inc.	The Third Amendment extends the term of the contract to February 28, 2015 and increases the maximum amount of compensation by \$267.50 for emergency notification capabilities.	S. Preiser	\$57,500.00	\$267.50	0.5%	\$57,767.50	2/28/2015



**Amendments and Change Orders - Approved by the Board**

01/06/15	N/A	Cartwright Termite & Pest Control, Inc.	The First Amendment was approved by the Board at the December 4, 2014 Board Meeting. The First Amendment increases the maximum amount payable by \$300,000.00 and combines pest control services and remediation services as a single not-to-exceed amount. The new maximum amount payable is \$5,300,000.00.	M. Bauer	\$ 5,000,000.00	\$300,000.00	6%	\$5,300,000.00	8/31/2016
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000017

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN DECEMBER 8, 2014 - JANUARY 25, 2015**



**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
12/11/14	N/A	Leighfisher, Inc.	The Third Amendment revises Exhibit A entitled "Scope of Work" to include additional tasks. There is no increase in compensation.	A. Jamison	\$6,122,145.00	\$0.00	0.0%	\$6,122,145.00	2/21/2016
01/07/15	N/A	Merriwether & Williams Insurance Services	The First Amendment exercises the Authority's option to extend the contract by one year and revises language in Exhibit B entitled "Compensation & Fee Schedule". There is no increase in compensation.	S. Cruz	\$1,485,960.00	\$0.00	0.0%	\$1,485,960.00	12/10/2015
1/8/2015	N/A	SWN Communications, Inc.	The Third Amendment extends the term of the contract to February 28, 2015 and increases the maximum amount of compensation by \$267.50 for emergency notification capabilities.	S. Preiser	\$57,500.00	\$267.50	0.5%	\$57,767.50	2/28/2015



**Amendments and Change Orders - Approved by the Board**

01/06/15	N/A	Cartwright Termite & Pest Control, Inc.	The First Amendment was approved by the Board at the December 4, 2014 Board Meeting. The First Amendment increases the maximum amount payable by \$300,000.00 and combines pest control services and remediation services as a single not-to-exceed amount. The new maximum amount payable is \$5,300,000.00.	M. Bauer	\$ 5,000,000.00	\$300,000.00	6%	\$5,300,000.00	8/31/2016
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000017

## Attachment "B"

## REAL PROPERTY AGREEMENTS EXECUTED FROM DECEMBER 8, 2014 TO JANUARY 25, 2015


**Real Property Agreements**

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
12.1.14 to 5.31.15	LE-0838	San Diego Air & Space Technology	Right of Entry Permit	Surface Parking at 2980 Pacific Highway	Parking	Approximately 300 S.F.	N/A	N/A
12.1.14 to 12.31.17	LE-0839	Pristine Fleet, Inc.	License Agreement for Ground Handling	SDIA	Aircraft Cleaning	N/A	MAG: \$250 or 8% Gross Monthly Income	N/A
1.19.15 to 3.6.15	LE-0841	City of San Diego	Right of Entry Permit	SDIA	Inspecting City's 60" Storm Drain	N/A	N/A	N/A
9.1.14 to 8.31.2019	LE-0842	Delta Air Lines, Inc.	Use and Occupancy	SDIA	Maintenance, Ground Service Equipment	13,386 S.F. Facility; 8,851 S.F. Land; 104,137 S.F. Joint Land	\$393,552 Annually	N/A
10.1.14 to 9.30.19	LE-0843	Southwest Airlines Co.	Use and Occupancy	SDIA	Cargo, Provisioning, Maintenance, Ground Service Equipment	58,003 S.F. Exclusive Facility and Land; 104,137 S.F. Joint Land	\$902,868 Annually	N/A
12.26.14 to 5.31.15	LE-0840	San Diego County Regional Airport Authority	Port Right of Entry License Agreement	Port District Employee Parking Lot on Pacific Hwy	Access to Port Parking Lot for 12KV work	N/A	\$550.00 Process Fee	Port District is the grantor
12.18.14 to Perpetuity	AE-2412	San Diego County Regional Airport Authority	Avigation Easement	2018 Mendocino Blvd. San Diego, CA	Provides Airport Authority with avigation rights	N/A	N/A	William Albert Jackson and Vivian Hernandez Jackson are the grantors


**Real Property Agreement Amendments and Assignments**

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
12.18.14 to 12.17.15	LE-0541	San Diego County Regional Airport Authority	Amendment of License	Adjacent to FITCPAC Naval Base at SDIA	Provides rights to occupy a portion of the Navy's sidewalk for the public	708 S.F.	N/A	Department of Navy is the grantor

000018



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
4**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**February 2015 Legislative Report**

**Recommendation:**

Adopt Resolution No. 2015-0014, approving the February 2015 Legislative Report.

**Background/Justification:**

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires that Authority staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The February 2015 Legislative Report updates Board members on legislative activities that have taken place during the month of January. The Authority Board provides direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A).

**State Legislative Action**

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

January 30, 2015, was the deadline for submitting bill requests to the Office of Legislative Counsel. Legislators have until February 27th, to introduce bills this year.

**Federal Legislative Action**

The Authority's legislative team recommends that the Board adopt a WATCH position on H.R. 720, the Gerardo Hernandez Airport Security Act. This legislation would direct the Department of Homeland Security to undertake a variety of activities to enhance security and communication at U.S. airports.

The Authority's legislative team also recommends that the Board adopt a WATCH position on H.R. 719, the Transportation Security Administration (TSA) Office of Inspection Accountability Act. This bill would mandate that TSA's criminal investigators spend at least half of their time investigating, apprehending or detaining individuals suspected of committing a crime.

000019

On February 2, 2015, the Obama Administration unveiled its Fiscal Year 2016 budget proposal. The proposal includes a new municipal bond called the Qualified Public Infrastructure Bond (QPIB). QPIBs would expand the scope of private activity bonds to include financing for airports, ports, mass transit, and other infrastructure projects. QPIBs could lower the cost of borrowing and attract new capital by extending the benefits of municipal bonds to public-private partnerships, such as those involving long-term leasing and management contracts.

The Obama Administration has again proposed raising the cap on Passenger Facility Charges from \$4.50 to \$8 and reducing Airport Improvement Program funding by \$450 million. The FY 2016 budget request proposes \$5.8 billion for Transportation Security Administration aviation security activities, nearly \$1 billion higher than the FY 2015 spending level. The budget would fund 26,075 Customs and Border Protection (CBP) officers, approximately 2,300 officers more than the current level, and includes \$132.3 million to expand CBP Trusted Traveler Programs.

**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. 2015-0014

A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPROVING THE FEBRUARY 2015 LEGISLATIVE  
REPORT

WHEREAS, the San Diego County Regional Airport Authority ("Authority") operates San Diego International Airport as well as 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 February 2015 Legislative Report (Attachment A); and

BE IT FURTHER RESOLVED that the Board 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 19<sup>th</sup> day of February, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR, CORPORATE  
& INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

000022

**Attachment A**

**February 2015 Legislative Report**

**State Legislation**

**Legislation/Topic**

**AB 24 (Nazarian) – Transportation Network Companies: public safety**

**Background/Summary**

This spot bill declares the intent of the Legislature to enact legislation that promotes public safety regarding Transportation Network Companies (TNCs).

**Anticipated Impact/Discussion**

TNCs are of significant interest to the Authority as staff continues to work with them to develop a permitting process at San Diego International Airport. This bill will be closely monitored by the Authority's legislative team as detailed text is developed by the author.

**Status:** 12/1/14 – Introduced

**Position:** Watch (1/15/15)

**Legislation/Topic**

**AB 61 (Allen) – Shuttle Services: loading and unloading of passengers**

**Background/Summary**

This bill would allow local authorities to permit shuttle service vehicles to stop for the loading or unloading of passengers alongside curb spaces designated for transit system buses upon agreement between the transit system and a shuttle service provider.

**Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to the shuttle and transit operations at San Diego International Airport.

**Status:** 1/22/15 – Referred to Assembly Committee on Transportation

**Position:** Watch (1/15/15)

*\*Shaded area represents new bills or updated legislative information.*

000023

**Legislation/Topic**

**AB 62 (Allen) – Charter-party carriers of passengers**

**Background/Summary**

The Passenger Charter-Party Carriers Act provides for the regulation by the Public Utilities Commission of motor carriers operating as charter-party carriers of passengers. This spot bill would make non-substantive changes to these provisions.

**Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to charter-party carrier operations at San Diego International Airport as detailed bill language is developed by the author.

**Status:** 12/12/14 – Introduced

**Position:** Watch (1/15/15)

**Legislation/Topic**

**SB 44 (Roth) – State Aeronautics Act**

**Background/Summary**

The State Aeronautics Act governs various matters relative to aviation within the state of California. This spot bill would make a non-substantive change to a provision within the Act.

**Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport as detailed bill language is developed by the author.

**Status:** 1/15/15 – Referred to Senate Committee on Rules

**Position:** Watch (1/15/15)

*\*Shaded area represents new bills or updated legislative information.*

000024

## Federal Legislation

### **Legislation/Topic**

**H.R. 720 (Katko) – The Gerardo Hernandez Airport Security Act**

### **Background/Summary**

This bill, named after Gerardo Hernandez, the Transportation Security Administration (TSA) employee killed on duty in 2013, would direct the Department of Homeland Security to undertake a variety of activities to enhance security and communication at U.S. airports. The bill would specifically require the TSA to verify that all airports have appropriate security response plans.

### **Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

**Status:** 2/4/15 – Introduced and Referred to the House Committee on Homeland Security

**Position:** Watch

### **Legislation/Topic**

**H.R. 719 (Katko) – The Transportation Security Administration Office of Inspection Accountability Act**

### **Background/Summary**

This bill would mandate that TSA's criminal investigators spend at least half of their time investigating, apprehending or detaining individuals suspected of committing a crime. TSA does not currently have any rules in that regard for its criminal investigators.

### **Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

**Status:** 2/4/15 – Introduced and Referred to the House Committee on Homeland Security

**Position:** Watch

*\*Shaded area represents new bills or updated legislative information.*

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**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
5**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Appointments to Board Committees, Liaison Positions, Other Representative and Alternate Positions**

**Recommendation:**

Adopt Resolution No. 2015-0015, making appointments to Board committees, liaison positions, the SANDAG Transportation Committee, and the World Trade Center Board.

**Background/Justification:**

Authority Policy 1.20 establishes a policy for the formation of committees of and for the Board. Authority Policy 1.50 (5)(c), "Standing Board Committees", establishes four Board standing committees.

Pursuant to California Code of Regulation Section 18705.5, *Materiality Standard: Financial Interest in a Personal Financial Effect*, the Authority is required to post on its website, an F.P.P.C. Form 806 (See Exhibit A), listing all paid appointed positions on boards, committees, or commissions of a public agency, prior to the appointments being made.

Pursuant to Authority Policy 1.50(5)(b), the Board must appoint a representative to the San Diego Association of Governments (SANDAG) Transportation Committee. The Board additionally appoints a representative and alternate to the World Trade Center Board.

Most committee terms are due to expire in February 2015. It is recommended that the Board appoint or re-appoint members to the Board's committees, liaisons positions, and representatives and alternates to the SANDAG Transportation Committee, and the World Trade Center Board for one-year terms.

The responsibilities of the SANDAG Transportation Committee and World Trade Center Board are as follows:

SANDAG Transportation Committee - The Transportation Committee advises the SANDAG Board of Directors on major policy-level matters related to transportation. This Committee assists in the preparation of the Regional Transportation Plan (RTP) and other regional transportation planning and programming efforts. It provides oversight for the major highway, transit, regional arterial, and regional bikeway projects funded under the Regional Transportation Improvement Program, including the *TransNet* Program of Projects. Areas of interest include project schedules, costs, and scope.

World Trade Center – The San Diego World Trade Center was established in 1994 to serve the growing needs of San Diego businesses, and is an international business organization licensed by the World Trade Center Association in New York, WTCA. Members include businesses or organizations involved in world trade. The World Trade Center San Diego is a private-public partnership, with the City of San Diego, the San Diego Unified Port District and the San Diego County Regional Airport Authority co-holding the license to operate.

**Fiscal Impact:**

Legislation limits compensation for Board Members to \$200 per day of service, with a maximum of eight (8) days per month. Adequate funds for Board Member compensation are included in the Authority Board Department adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets.

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

**Application of Inclusionary Policies:**

Not Applicable.

**Prepared by:**

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

Agency Report of:  
Public Official Appointments

A Public Document

<b>1. Agency Name</b> San Diego County Regional Airport Authority		California Form <b>806</b> For Official Use Only
Division, Department, or Region (If Applicable)		
Designated Agency Contact (Name, Title) Tony R. Russell, Dir. Corporate & Information Governance/Authority Clerk		
Area Code/Phone Number 619/400-2550	E-mail trussell@san.org	Date Posted: 2/12/15 (Month, Day, Year)
		Page <u>1</u> of <u>2</u>

2. Appointments

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
	▶ Name <u>Alvarez, David</u> <small>(Last, First)</small>  Alternate, if any <u>See attached</u> <small>(Last, First)</small>	▶ <u>2 / 19 / 15</u> <small>Appt Date</small>  ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>200.00</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input checked="" type="checkbox"/> <u>\$19,200</u> <small>Other</small>
	▶ Name <u>Boling, April C.</u> <small>(Last, First)</small>  Alternate, if any <u>See attached</u> <small>(Last, First)</small>	▶ <u>2 / 19 / 15</u> <small>Appt Date</small>  ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>200.00</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input checked="" type="checkbox"/> <u>\$19,200</u> <small>Other</small>
	▶ Name <u>Cox, Greg</u> <small>(Last, First)</small>  Alternate, if any <u>See attached</u> <small>(Last, First)</small>	▶ <u>2 / 19 / 15</u> <small>Appt Date</small>  ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>200.00</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input checked="" type="checkbox"/> <u>\$19,200</u> <small>Other</small>
	▶ Name <u>Desmond, Jim</u> <small>(Last, First)</small>  Alternate, if any <u>See attached</u> <small>(Last, First)</small>	▶ <u>2 / 19 / 15</u> <small>Appt Date</small>  ▶ <u>1 Year</u> <small>Length of Term</small>	▶ Per Meeting: \$ <u>200.00</u>  ▶ Estimated Annual: <input type="checkbox"/> \$0-\$1,000 <input type="checkbox"/> \$2,001-\$3,000 <input type="checkbox"/> \$1,001-\$2,000 <input checked="" type="checkbox"/> <u>\$19,200</u> <small>Other</small>

3. Verification

I have read and understand FPPC Regulation 18705.5. I have verified that the appointment and information identified above is true to the best of my information and belief.

Sony R Russell    Tony R. Russell    Authority Clerk    2/10/15  
Signature of Agency Head or Designee    Print Name    Title    (Month, Day, Year)

Comment: \_\_\_\_\_

**Agency Report of:  
Public Official Appointments  
Continuation Sheet**

**1. Agency Name**  
San Diego County Regional Airport Authority

**Date Posted:** 2/12/15  
(Month, Day, Year)

**2. Appointments**

Agency Boards and Commissions	Name of Appointed Person	Appt Date and Length of Term	Per Meeting/Annual Salary/Stipend
	<p>▶ Name <u>Gleason, Robert H.</u> (Last, First)</p> <p>Alternate, if any <u>See attached</u> (Last, First)</p>	<p>▶ <u>2 / 19 / 15</u> Appt Date</p> <p>▶ <u>1 Year</u> Length of Term</p>	<p>▶ Per Meeting: \$ <u>200.00</u></p> <p>▶ Estimated Annual: <u>+ \$500.00/month</u></p> <p><input type="checkbox"/> \$0-\$1,000    <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000    <input checked="" type="checkbox"/> <u>25,200</u> Other</p>
	<p>▶ Name <u>Hubbs, Lloyd</u> (Last, First)</p> <p>Alternate, if any <u>See attached</u> (Last, First)</p>	<p>▶ <u>2 / 19 / 15</u> Appt Date</p> <p>▶ <u>1 Year</u> Length of Term</p>	<p>▶ Per Meeting: \$ <u>200.00</u></p> <p>▶ Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000    <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000    <input checked="" type="checkbox"/> <u>\$19,200</u> Other</p>
	<p>▶ Name <u>Janney, Jim</u> (Last, First)</p> <p>Alternate, if any <u>See attached</u> (Last, First)</p>	<p>▶ <u>2 / 19 / 15</u> Appt Date</p> <p>▶ <u>1 Year</u> Length of Term</p>	<p>▶ Per Meeting: \$ <u>200.00</u></p> <p>▶ Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000    <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000    <input checked="" type="checkbox"/> <u>\$19,200</u> Other</p>
	<p>▶ Name <u>Robinson, Paul</u> (Last, First)</p> <p>Alternate, if any <u>See attached</u> (Last, First)</p>	<p>▶ <u>2 / 19 / 15</u> Appt Date</p> <p>▶ <u>1 Year</u> Length of Term</p>	<p>▶ Per Meeting: \$ <u>200.00</u></p> <p>▶ Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000    <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000    <input checked="" type="checkbox"/> <u>\$19,200</u> Other</p>
	<p>▶ Name <u>Sessom, Mary</u> (Last, First)</p> <p>Alternate, if any <u>See attached</u> (Last, First)</p>	<p>▶ <u>2 / 19 / 15</u> Appt Date</p> <p>▶ <u>1 Year</u> Length of Term</p>	<p>▶ Per Meeting: \$ <u>200.00</u></p> <p>▶ Estimated Annual:</p> <p><input type="checkbox"/> \$0-\$1,000    <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000    <input checked="" type="checkbox"/> <u>\$19,200</u> Other</p>
	<p>▶ Name _____ (Last, First)</p> <p>Alternate, if any _____ (Last, First)</p>	<p>▶ _____ Appt Date</p> <p>▶ _____ Length of Term</p>	<p>▶ Per Meeting: \$ _____</p> <p>▶ Estimated Annual: _____</p> <p><input type="checkbox"/> \$0-\$1,000    <input type="checkbox"/> \$2,001-\$3,000</p> <p><input type="checkbox"/> \$1,001-\$2,000    <input type="checkbox"/> _____ Other</p>

RESOLUTION NO. 2015-0015

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY MAKING APPOINTMENTS TO BOARD  
COMMITTEES, LIAISON POSITIONS, THE SANDAG  
TRANSPORTATION COMMITTEE, AND THE  
WORLD TRADE CENTER BOARD

WHEREAS, Authority Policy Section 1.20 establishes a policy for the formation of committees of and for the Board and Authority Policy Section 1.50 (5)(c) establishes certain Board committees; and

WHEREAS, the Board wishes to appoint or re-appoint members to Board committees, liaison positions, and representatives and alternates to the SANDAG Transportation Committee and the San Diego World Trade Center Board; and

WHEREAS, pursuant to California Code of Regulation Section 18705.5, *Materiality Standard: Financial Interest in a Personal Financial Effect*, the Authority is required to post on its website F.P.P.C. Form 806, listing all the paid appointed positions on boards, committees, or commissions of a public agency; and

WHEREAS, in accordance with the requirements of California Code of Regulations §18705.5, F.P.P.C. Form 806 outlining the appointments to boards, commissions, and committees, was posted on the Authority website with the staff report.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the appointments listed in "Attachment A" to the Board's standing committees, liaison positions, and representatives and alternates to the SANDAG Transportation Committee and the World Trade Center Board; and

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

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 19<sup>th</sup> day of February, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

000031

# San Diego County Regional Airport Authority Board Committee, Liaison and Representative Appointments

## STANDING COMMITTEES

<b>Executive Committee</b>		
<i>Hold Monthly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Robert H. Gleason (Chair)</b>	February 2012	
Paul Robinson	February 2014	February 2016
Lloyd Hubbs	February 2015	February 2016
<b>Finance Committee</b>		
<b>Greg Cox (Chair)</b>	February 2015	February 2016
April Boling (Vice Chair)	February 2015	February 2016
David Alvarez	February 2015	February 2016
Jim Janney	February 2015	February 2016
Mary Sessom	February 2015	February 2016
<b>Audit Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Paul Robinson (Chair)</b>	February 2015	February 2016
Lloyd Hubbs (Vice Chair)	February 2015	February 2016
Robert H. Gleason	February 2015	February 2016
Mary Sessom	February 2015	February 2016
Andrew Hollingworth*	July 2013	June 2016
Jack Van Sambeek*	July 2012	June 2015
Don Tartre*	July 2014	June 2017
<small>*Public Members Added Pursuant to SB 10</small>		
<b>Executive Personnel and Compensation Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Jim Desmond (Chair)</b>	February 2015	February 2016
Mary Sessom (Vice Chair)	February 2015	February 2016
Greg Cox	February 2015	February 2016
Lloyd Hubbs	February 2015	February 2016
Jim Janney	February 2015	February 2016
<b>Capital Improvement Program Oversight Committee</b>		
<i>Hold Quarterly Meetings</i>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Lloyd Hubbs (Chair)</b>	February 2015	February 2016
David Alvarez (Vice Chair)	February 2015	February 2016
April Boling	February 2015	February 2016
Robert H. Gleason	February 2015	February 2016
Paul Robinson	February 2015	February 2016

## REPRESENTATIVES (EXTERNAL)

<b>SANDAG Transportation Committee</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>David Alvarez (Primary)</b>	February 2015	February 2016
Lloyd Hubbs (Alternate)	February 2015	February 2016

## REPRESENTATIVES (INTERNAL)

<b>Authority Advisory Committee</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Paul Robinson (Primary)</b>	February 2015	February 2016
April Boing (Alternate)	February 2015	February 2016

<b>Art Advisory Committee</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert H. Gleason	February 2015	February 2016

## LIAISONS

<b>Military Affairs</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Colonel John Farnam		

<b>World Trade Center</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
<b>Robert Gleason (Primary)</b>	February 2015	February 2016
David Alvarez (Alternate)	February 2015	February 2016

<b>Port</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Robert Gleason	February 2015	February 2016
Greg Cox	February 2015	February 2016
Paul Robinson	February 2015	February 2016

<b>Caltrans</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Laurie Berman		

<b>Inter-Governmental Affairs</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Greg Cox	February 2015	February 2016

<b>Airport Land Use Compatibility Plan for San Diego International Airport</b>		
<u>Name</u>	<u>Appointed</u>	<u>Term Expiration</u>
Jim Janney	February 2015	February 2016



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
6**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Reject the Claim of Maria Bermudez**

**Recommendation:**

Adopt Resolution No. 2015-0016, Rejecting the Claim of Maria Bermudez.

**Background/Justification:**

On January 15, 2015, Maria Bermudez filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority") alleging that she fell on a wet and soapy floor in the women's restroom in the Airspace Lounge in Terminal Two at San Diego International Airport. Bermudez claims damages in an unspecified amount to include \$60,000 in medical bills.

Bermudez' claim should be denied. An investigation into the alleged incident revealed the claimant walked into the restroom where wet floor signage was visibly placed. The Authority had no notice of any unsafe or dangerous condition. The area where the incident occurred is under the care, custody and control of Swissport, a tenant of the Authority. There is no evidence that this incident was due to an act or omission of the Authority or its employees. No medical personnel were called at the time of the incident and claimant has already filed a claim with Swissport. Swissport's lease requires it to indemnify the Authority for claims of this type. The claim will be tendered to Swissport.

**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

000034

**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:**

SUZIE JOHNSON  
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.

**FOR AUTHORITY CLERK USE ONLY**

Document No.: CL-244

Filed: 1-15-15

1) Claimant Name: Maria Paula Bermudez	
2) Address to which correspondence regarding this claim should be sent: Frederick Schenk, Esq. Casey Gerry Schenk Francavilla Blatt & Penfield 110 Laurel Street, San Diego, CA 92101	
Telephone No.: (619) 238-1811	Date: January 15, 2015
3) Date and time of incident: July 21, 2014 at 9:50 p.m.	
4) Location of incident: Women's restroom at Airspace Lounge at the San Diego International Airport	
5) Description of incident resulting in claim: Claimant was at the Airspace Lounge located at the San Diego International Airport, and at 9:50 p.m. she entered the women's restroom when she slipped and fell on a wet and soapy floor.	
6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known: Unknown to claimant	
7) Persons having firsthand knowledge of incident:	
Witness (es)	Physician(s):
Name: Jessica Ekard and Dave Kikta	Name: <b>JAN 15 13:05RCV'D</b>
Address: Unknown to claimant.	Address:
Phone:	Phone:

ATTACHMENT A

8) Describe property damage or personal injury claimed:
Claimant fell forward onto her face and suffered Cephalic trauma, whiplash syndrome, right wrist radial fracture, right wrist sprain, right ankle sprain, soft tissue trauma on her left wrist, avulsed teeth, open wound in labial mucosa.
9) Owner and location of damaged property or name/address of person injured:
None.
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.
Claimant has incurred approximately \$60,000 in medical bills.

Dated: 01-15-15

Claimant: Wanda Paulabridges  
(Signature)

**Notice to Claimant:**

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

Return completed 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

RESOLUTION NO. 2015-0016

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY REJECTING THE CLAIM OF MARIA  
BERMUDEZ.

WHEREAS, on January 15, 2015, Maria Bermudez filed a claim with the San Diego County Regional Airport Authority for injuries she sustained when she fell in the restroom in the AirSpace Lounge in Terminal Two at San Diego International Airport on July 21, 2014; and

WHEREAS, at its regular meeting on February 19, 2015, the Board considered the claim filed by Maria Bermudez and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Maria Bermudez; 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 its regular meeting this 19<sup>th</sup> day of February, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

000038



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Communication

**Date:** February 19, 2015

**To:** Board Members

**Via:** Thella F. Bowens, President/CEO

**From:** Scott M. Brickner, Vice President, Finance & Asset  
Management/Treasurer

**Subject:** Accept the Unaudited Financial Statements for the Six  
Months Ended December 31, 2014:

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**RECOMMENDATION:** The Finance Committee recommends that the Board accept the report.

# Review of the Unaudited Financial Statements for the Six Months Ended December 31, 2014 and 2013



**SAN DIEGO**  
INTERNATIONAL AIRPORT  
LET'S GO.

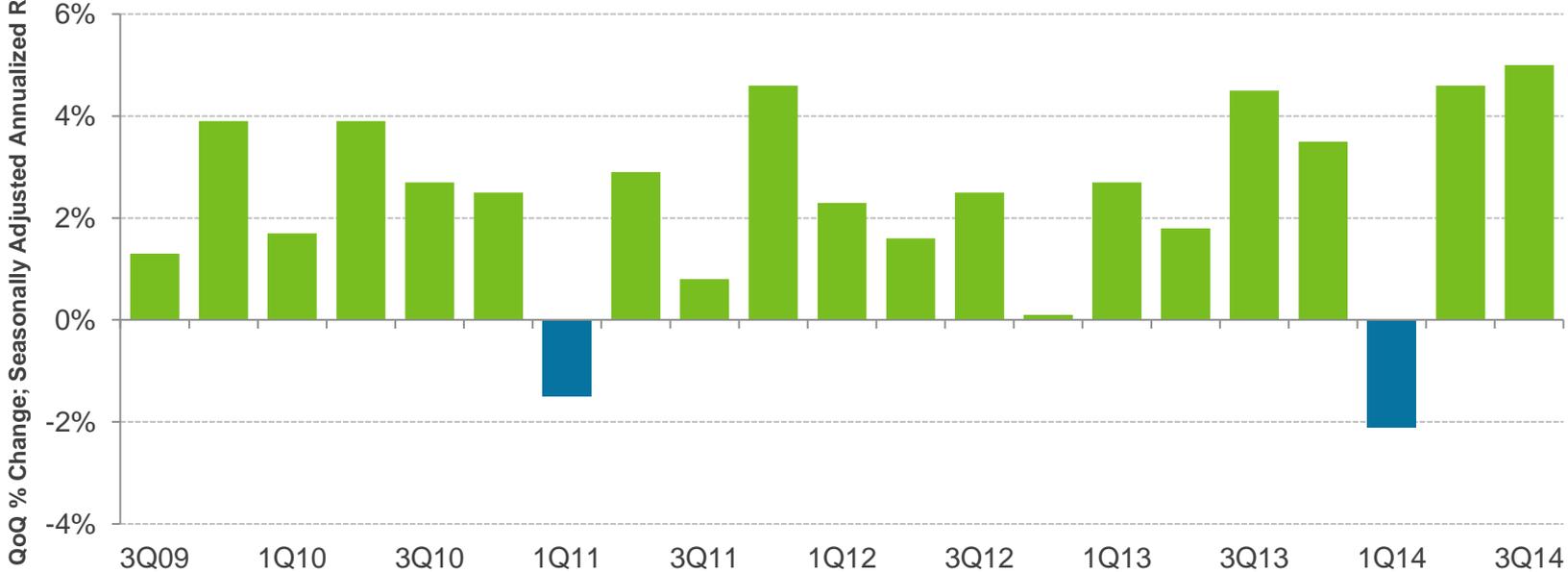
Presented by:  
Scott Brickner, CPA  
Vice President, Finance and Asset Management/Treasurer  
Kathy Kiefer  
Senior Director, Finance & Asset Management

February 19, 2015

# Third Quarter GDP Strongest Reading Since 2003

Third-quarter GDP was revised sharply upward to 5.0% (from 3.9% in the prior release), which was well above expectations and the strongest rate in eleven years. Q3 GDP was fueled by both stronger consumer and business spending.

**U.S. Gross Domestic Product (QoQ)**  
Third Quarter 2009 – Third Quarter 2014



Source: Bureau Of Economic Analysis

# Initial Claims for Unemployment Trending Upward

For the week ending January 17, 2015, initial claims for unemployment (seasonally adjusted) fell by 10,000 to 307,000. However, this was the third straight week that jobless claims had exceeded the 300,000 level, which could suggest a weaker January jobs report. The 4-week moving average, which helps smooth out some of the weekly volatility, rose by 6,500 to 306,500.

### Initial Jobless Claims and 4-Week Moving Average

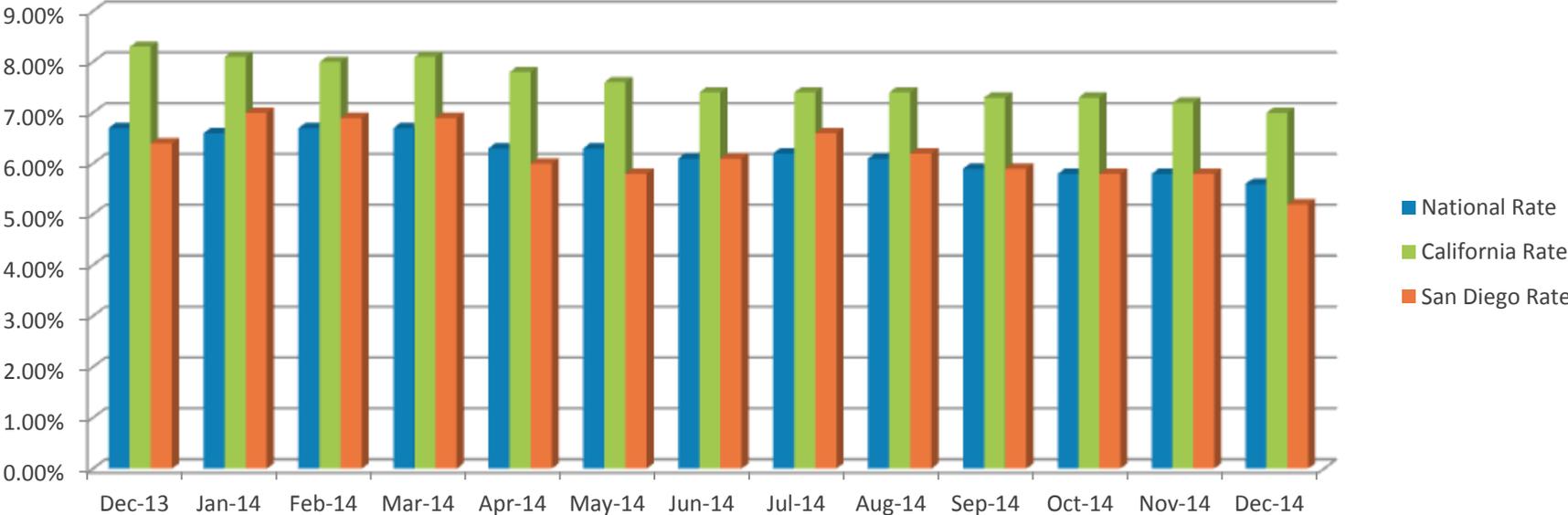
January 2010 – January 2015



# Unemployment Rate Declined by 0.2 Percentage Point

The Federal unemployment rate declined by 0.2 percentage point to 5.6 percent in December. The National U-6 rate decreased from 11.4 percent to 11.2 percent. In California, the State unemployment was 7.0 percent for December 2014, down 0.2 percentage point from November, and down 1.3 percentage points from one year ago. Locally, San Diego's unemployment reduced to 5.2 percent in December 2014.

### Unemployment Rates



Source: US Dept of Labor, CA EDD

# Consumer Price Index Trending Lower

The Consumer Price Index for the twelve months ending December was up only 0.7%, which was down sharply from the 1.3% increase for the twelve months ending November. Falling oil prices have significantly reduced the headline inflation number. Core CPI, excluding food and energy, was up 1.6% for the twelve months ending December compared to 1.7% for the twelve months ending November. The inflation rate continues to trend below the Federal Reserves' 2% target level.

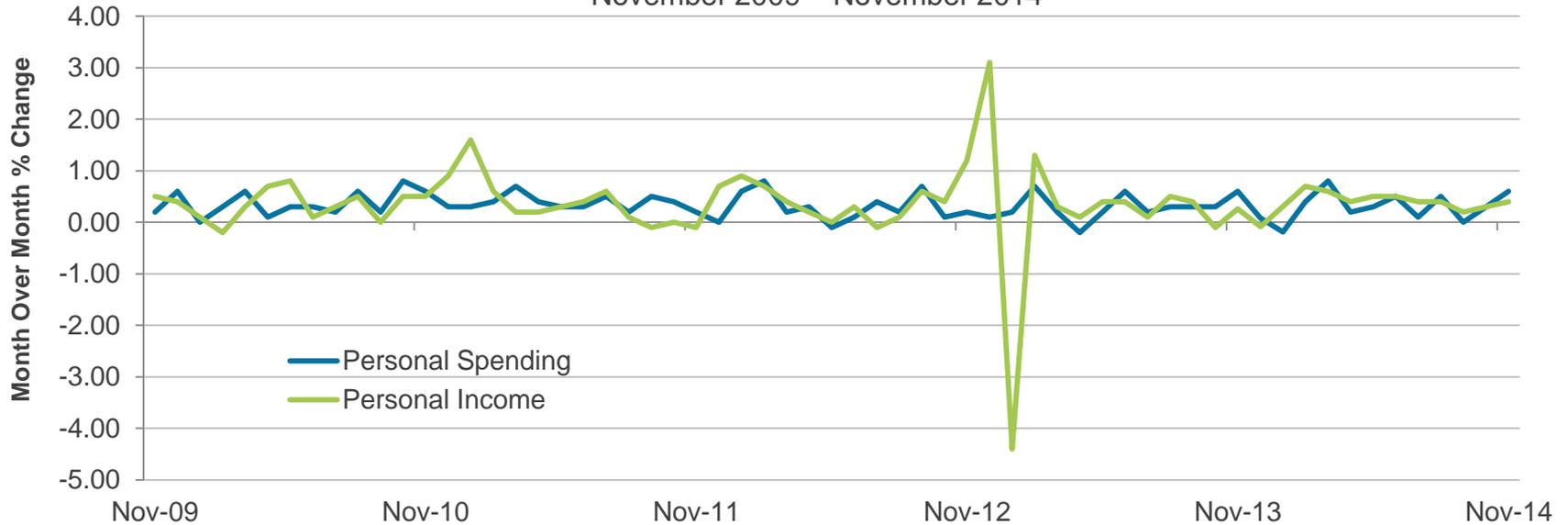
**Consumer Price Index (YoY%)**  
December 2009 – December 2014



# Personal Income and Spending Up in November

The consumer sector continues to improve with gains in income and spending. Personal income grew by 0.4% in November up from 0.3% in October. Personal spending grew 0.6% up from 0.3% in October. Overall, the consumer sector is slowly improving even though inflation is below the Fed's goal. A drop in oil prices is lowering inflation, but has helped to improve discretionary income and boost spending in other sectors.

**Personal Income and Spending (MoM%)**  
November 2009 – November 2014



# Consumer Confidence Up Sharply in January

The Consumer Confidence Index, which rose by 2.1 points in December, rose by a better than expected 9.8 points in January to 102.9. Consumer confidence is now at its highest level since August 2007. Consumers were significantly more optimistic about current conditions.

**Consumer Confidence Index**  
January 2010 – January 2015



# Existing Home Sales Up in December

After falling sharply in November, sales rebounded slightly in December by 2.4% to an annualized rate of 5.04 million units. Year-over-year, existing home sales were up 3.5% over December 2013. Home sales improved during the second half of the year, as economic activity improved and mortgage rates declined. However, for the entire year, existing home sales totaled 4.93 million sales, which was a 3.1% decline from 2013 (5.09 million).

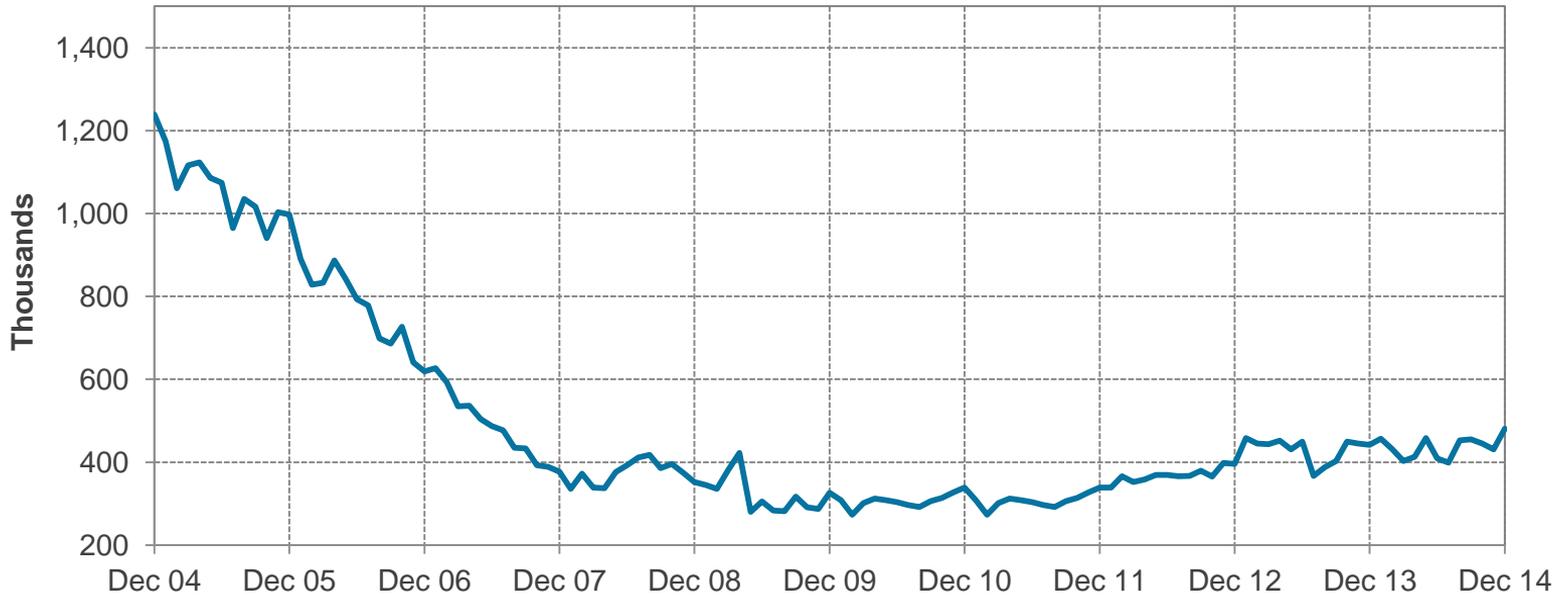
**U.S. Existing Home Sales (MoM)**  
December 2004 – December 2014



# New Home Sales Up in December

New home sales rose by a better than expected 11.6% in December to a seasonally adjusted annualized rate of 481,000 units. December sales were 8.8% above December 2013. Improvements in the job market, consumer confidence and low mortgage rates may be giving the housing market a much needed boost.

**U.S. New Home Sales (MoM)**  
December 2004 – December 2014



# Oil Prices May Be Stabilizing

Oil (WTI spot) closed at \$46.79 on January 20<sup>th</sup>, which was up slightly from its most recent low of \$45.92 reached on January 13<sup>th</sup>. After consistently falling since mid-September, it appears that oil may be stabilizing near the \$45 per barrel level. Oil has fallen by \$61.16 (57%) from its high for the year of \$107.95 on June 20, 2014. Oil prices have fallen due to weakness in the global economy while global oil supplies have increased driven by the expansion of North American energy production along with OPEC's decision not to cut production.

**West Texas Intermediate Oil Price Per Barrel (WTI Spot)**  
January 1, 2010 – January 20, 2015



# Jet Fuel Prices Lowest Since 2009

Jet fuel (U.S. Gulf Coast Spot) closed at \$1.478 on January 20<sup>th</sup>, which was up slightly from its most recent low of \$1.404 reached on January 13<sup>th</sup>. Jet fuel is down \$1.61 (52%) from its high for 2014 of \$3.087 reached on February 19, 2014.

**U.S. Gulf Coast Kerosene-Type Jet Fuel Spot Price FOB**  
January 1, 2010 – January 20, 2015



# U.S. Equity Markets Volatile to Begin 2015

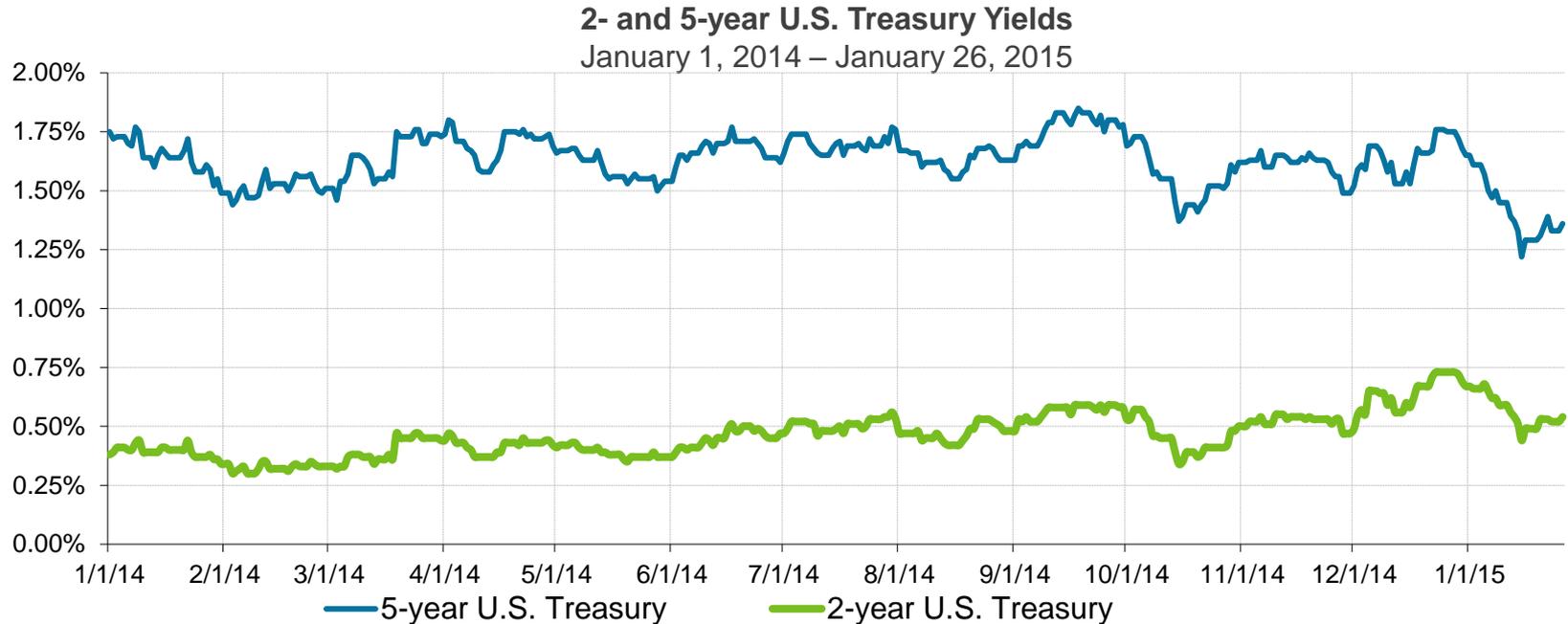
Uncertainty in the global economy and mixed U.S. economic news, has driven the recent volatility in the equity markets. Year-to-date in 2015, the DJIA is down 0.81% and the S&P 500 is down 0.09%. In 2014, the DJIA was up 7.52% and the S&P 500 was up 11.39%.

**Dow Jones Industrial Average and S&P 500 Indices**  
January 1, 2010 – January 26, 2015



# Treasury Yields Down to Start 2015

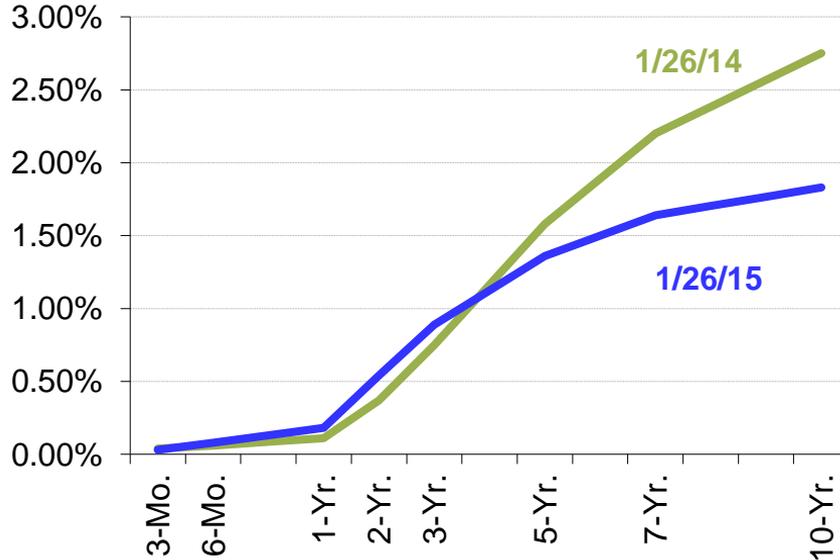
Since hitting a three-year high of 0.73% on December 23<sup>rd</sup>, the 2-year has fallen due to mixed economic news in the U.S. and global economic and political uncertainty. The drop in longer-term yields has been greater. The 5-year U.S. Treasury closed at 1.22% on January 15<sup>th</sup>, its lowest level since November 2013.



# U.S. Treasury Yield Curve Flattens

Shorter-term interest rates are up over the past year on U.S. economic growth and the expectation that the Federal Reserve will start raising interest rates in 2015. However, the longer part of the yield curve has flattened significantly due to low inflation expectations, low global sovereign debt yields, and weakness in the global economy.

**U.S. Treasury Yield Curve**  
January 26, 2014 versus January 26, 2015

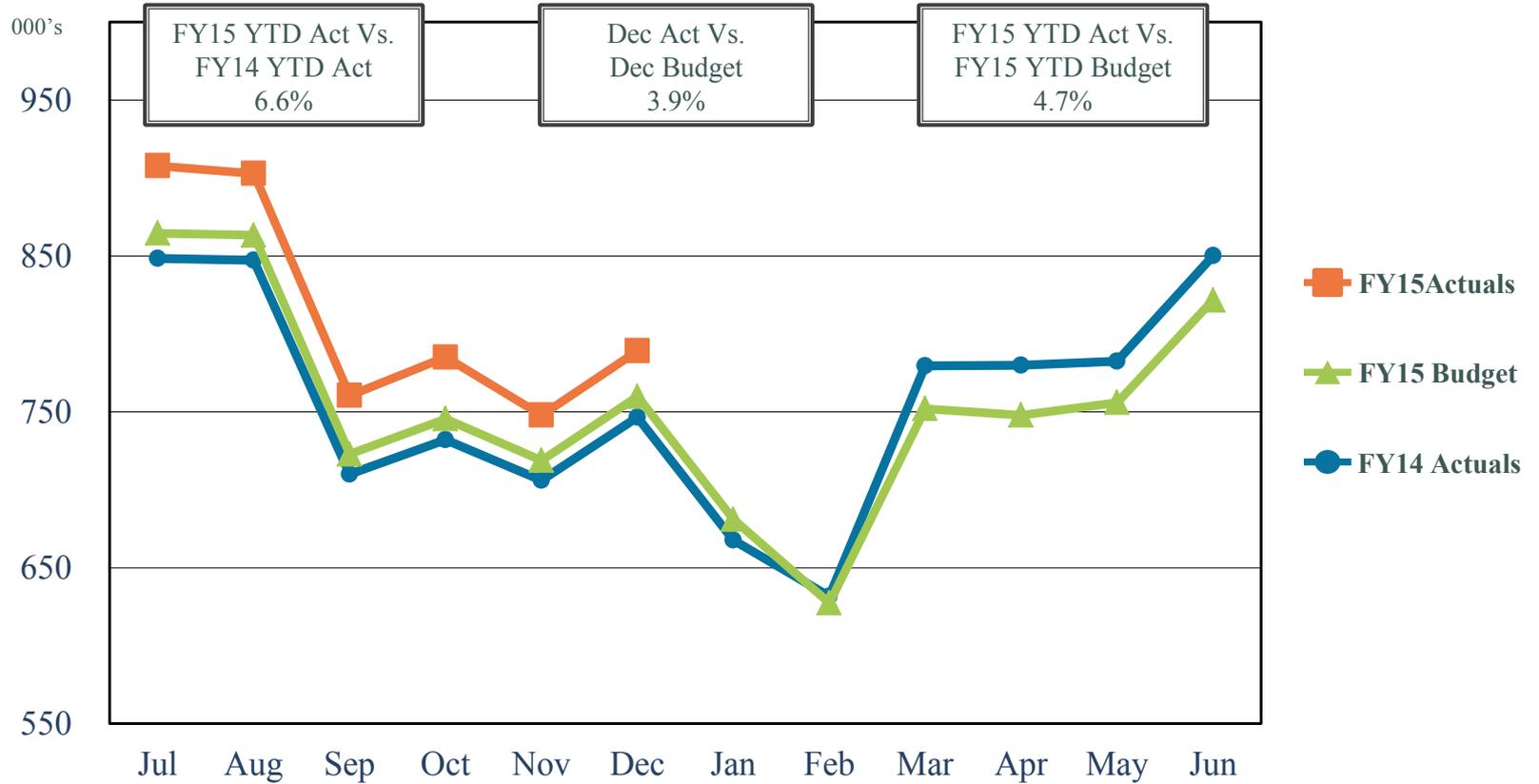


	1/26/14	1/26/15	Change
3-Mo.	0.04%	0.03%	(0.01%)
6-Mo.	0.06%	0.08%	0.02%
1-Yr.	0.11%	0.18%	0.07%
2-Yr.	0.37%	0.54%	0.17%
3-Yr.	0.75%	0.89%	0.14%
5-Yr.	1.58%	1.36%	(0.22%)
10-Yr.	2.75%	1.83%	(0.92%)
20-Yr.	3.40%	2.14%	(1.26%)
30-Yr.	3.64%	2.40%	(1.24%)

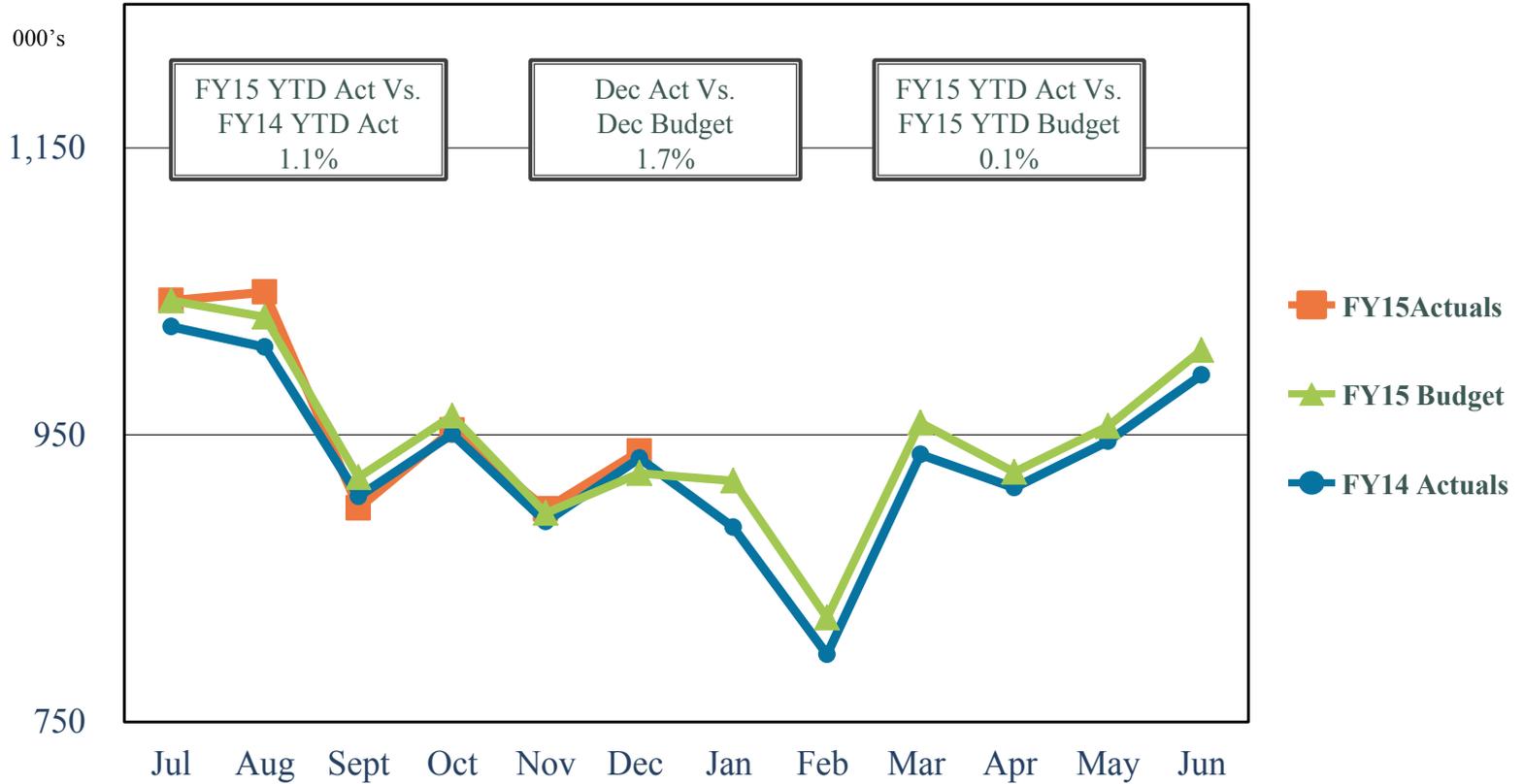


# Revenue & Expenses (Unaudited) For the Month Ended December 2014 and 2013

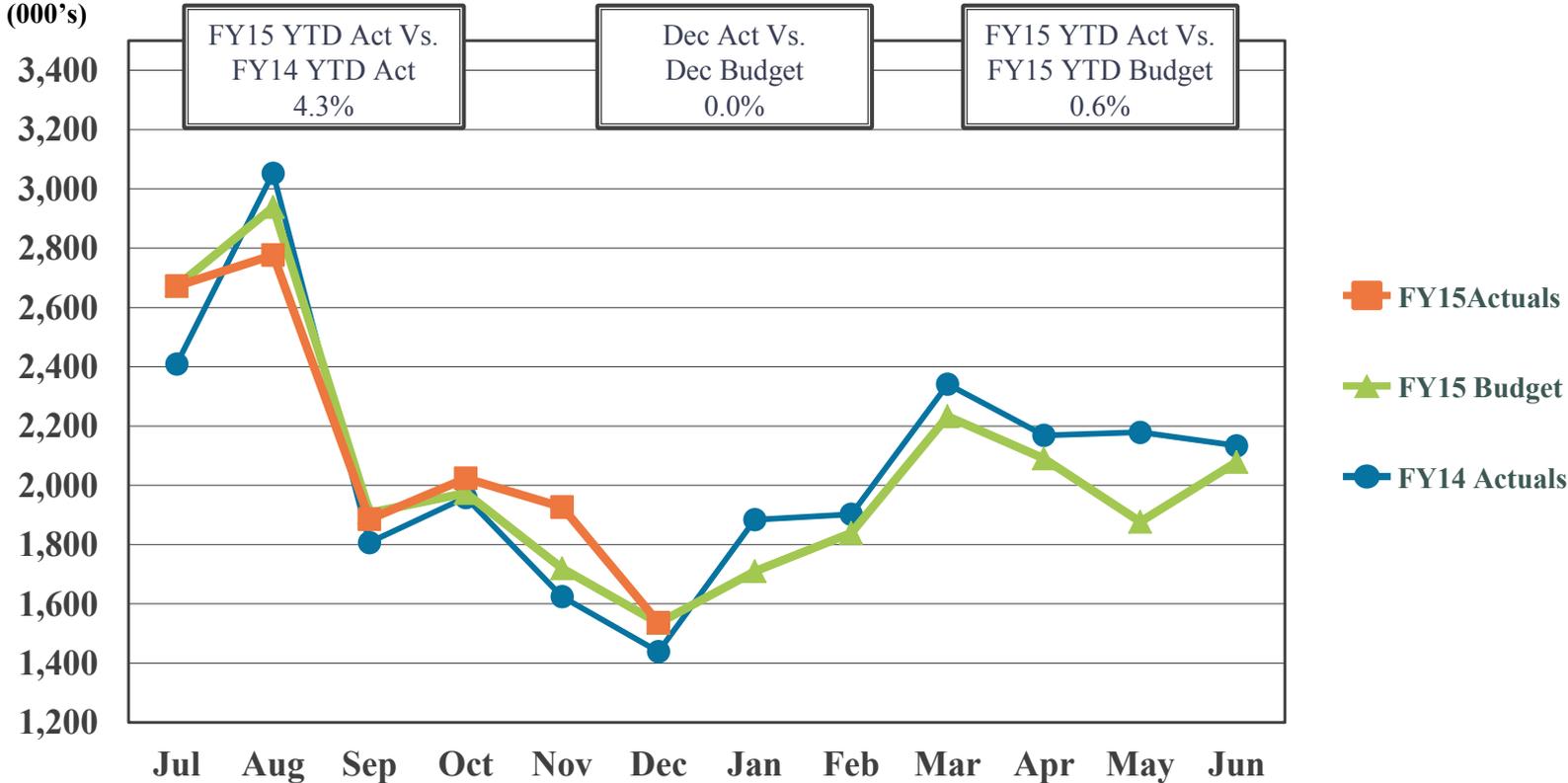
# Enplanements



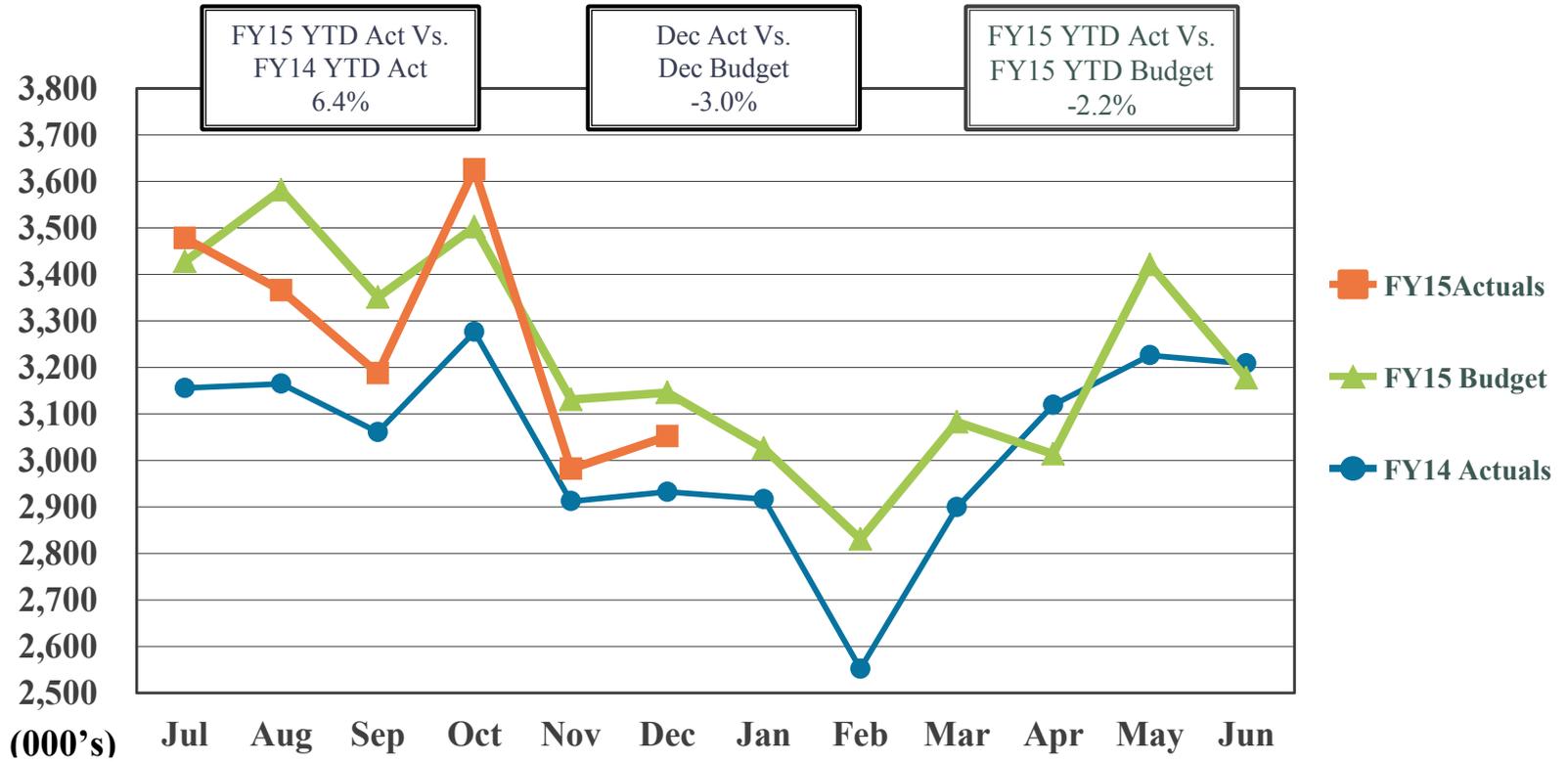
# Gross Landing Weight Units (000 lbs)



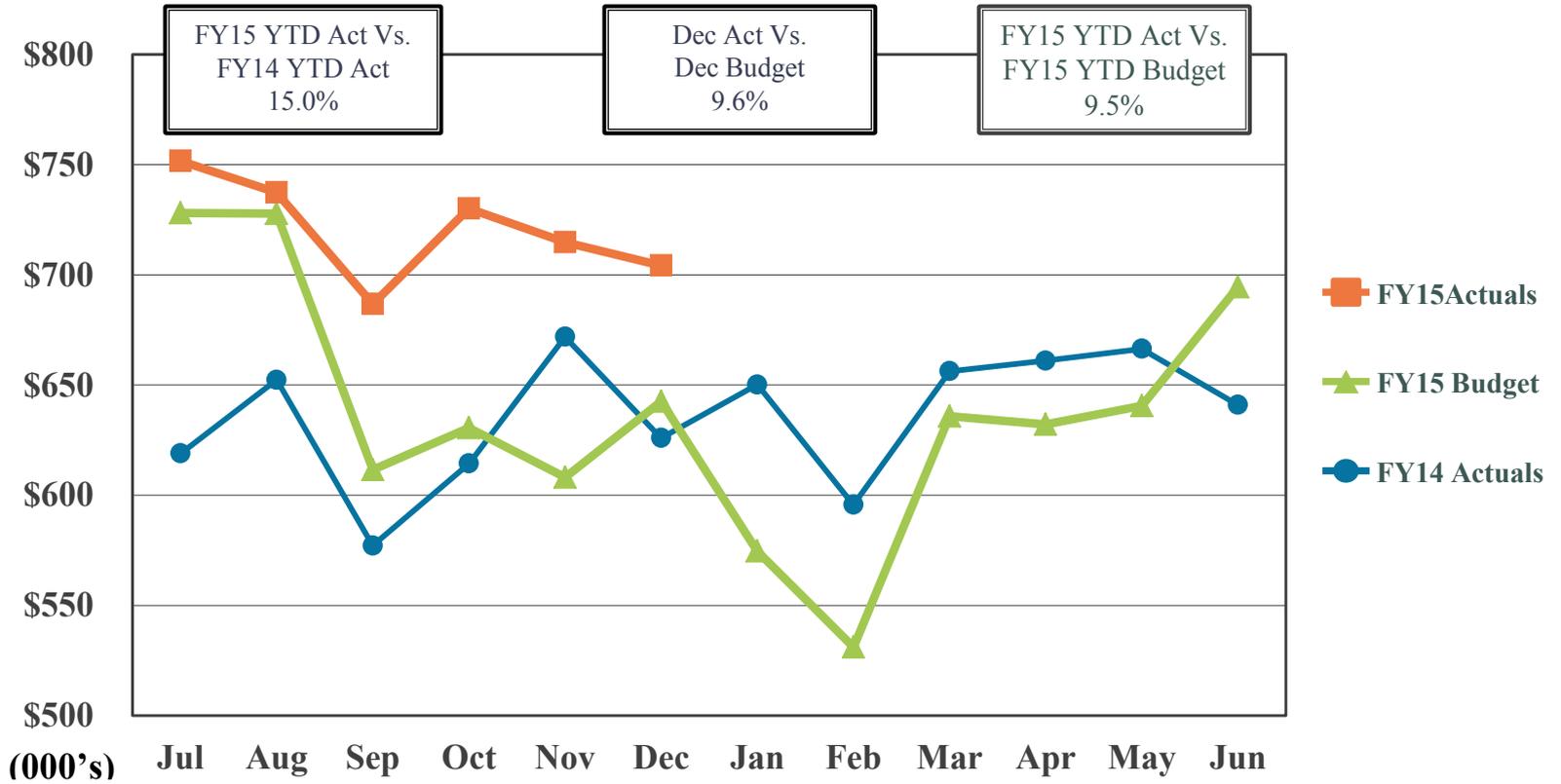
# Car Rental License Fees



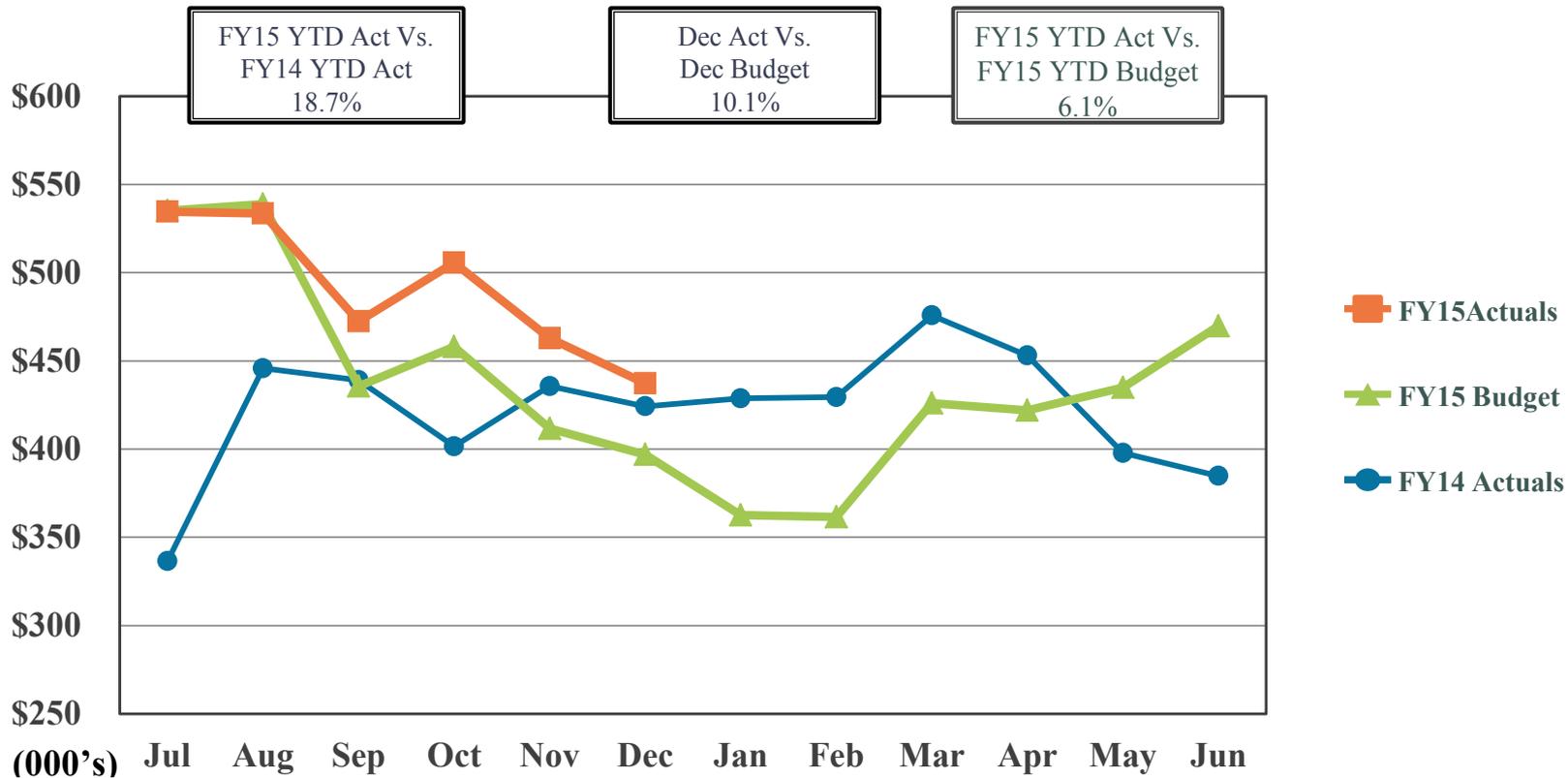
# Parking Revenue



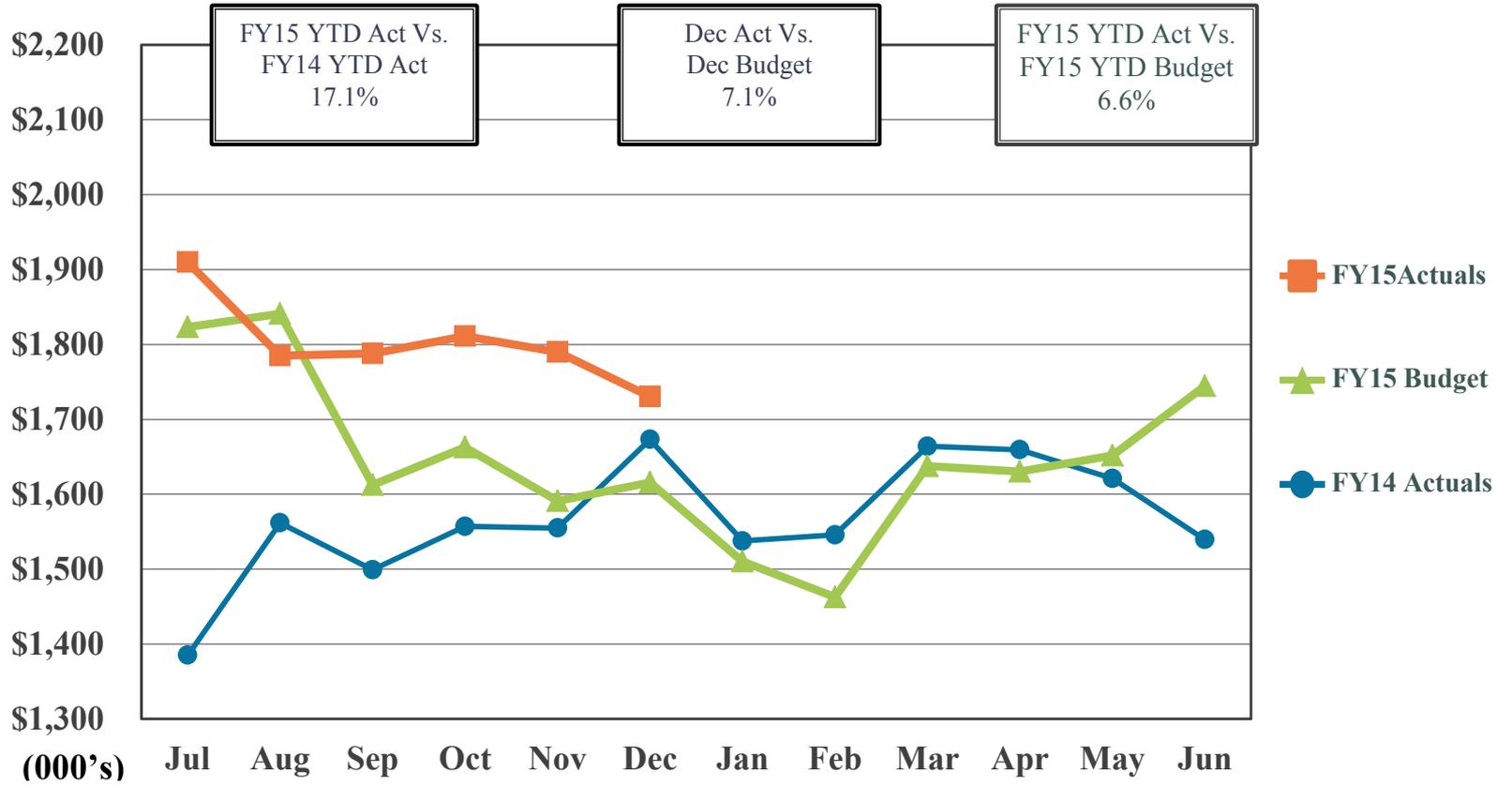
# Food and Beverage Concessions Revenue



# Retail Concessions Revenue



# Total Terminal Concessions



# Operating Revenues for the Month Ended December 31, 2014

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 1,919	\$ 1,946	\$ 27	1%	\$ 1,801
Aircraft parking fees	231	209	(22)	(10)%	221
Building rentals	4,162	4,194	32	1%	3,767
Security surcharge	2,211	2,211	-	-	2,081
CUPPS Support Charges	94	94	-	-	93
Other aviation revenue	132	133	1	1%	132
<b>Total aviation revenue</b>	<b>\$ 8,749</b>	<b>\$ 8,787</b>	<b>\$ 38</b>	<b>-</b>	<b>\$ 8,095</b>

# Operating Revenues for the Month Ended December 31, 2014

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Terminal rent non-airline</b>	\$ 125	\$ 103	\$ (22)	(18)%	\$ 89
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	643	704	61	9%	626
Gifts and news	397	437	40	10%	424
Space storage	63	79	16	25%	161
Cost recovery	241	205	(36)	(15)%	179
Other (Primarily advertising)	272	305	33	12%	283
<b>Total terminal concession revenue</b>	<b>1,616</b>	<b>1,730</b>	<b>114</b>	<b>7%</b>	<b>1,673</b>
<b>Car rental and license fee revenue:</b>					
Rental car and license fees	1,536	1,536	-	-	1,439
License fees-other	357	411	54	15%	321
<b>Total rental car and license fees</b>	<b>1,893</b>	<b>1,947</b>	<b>54</b>	<b>3%</b>	<b>1,760</b>
<b>Total concession revenue</b>	<b>\$ 3,509</b>	<b>\$ 3,677</b>	<b>\$ 168</b>	<b>5%</b>	<b>\$ 3,433</b>

# Operating Revenues for the Month Ended December 31, 2014

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 1,978	\$ 1,993	\$ 15	1%	\$ 1,876
Long-term parking revenue	1,168	1,059	(109)	(9)%	1,057
<b>Total parking revenue</b>	<b>3,146</b>	<b>3,052</b>	<b>(94)</b>	<b>(3)%</b>	<b>2,933</b>
Ground transportation permits and citations	200	234	34	17%	171
Ground rentals	968	969	1	-	1,013
Grant reimbursements	25	25	-	-	144
Other operating revenue	39	94	55	141%	92
<b>Subtotal</b>	<b>4,378</b>	<b>4,374</b>	<b>(4)</b>	<b>-</b>	<b>4,353</b>
<b>Total operating revenues</b>	<b>\$ 16,761</b>	<b>\$ 16,941</b>	<b>\$ 180</b>	<b>1%</b>	<b>\$ 15,970</b>

# Operating Expenses for the Month Ended December 31, 2014

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 4,036	\$ 3,399	\$ 637	16%	\$ 3,095
Contractual services	2,913	2,565	348	12%	2,417
Safety and security	1,996	1,933	63	3%	1,994
Space rental	873	869	4	-	866
Utilities	753	675	78	10%	730
Maintenance	1,233	1,280	(47)	(4)%	754
Equipment and systems	105	25	80	76%	3
Materials and supplies	32	35	(3)	(9)%	25
Insurance	89	89	-	-	82
Employee development and support	94	52	42	45%	41
Business development	241	341	(100)	(41)%	316
Equipment rental and repairs	389	128	261	67%	124
<b>Total operating expenses</b>	<b>\$ 12,754</b>	<b>\$ 11,391</b>	<b>\$ 1,363</b>	<b>11%</b>	<b>\$ 10,447</b>

# Financial Summary

## for the Month Ended December 31, 2014

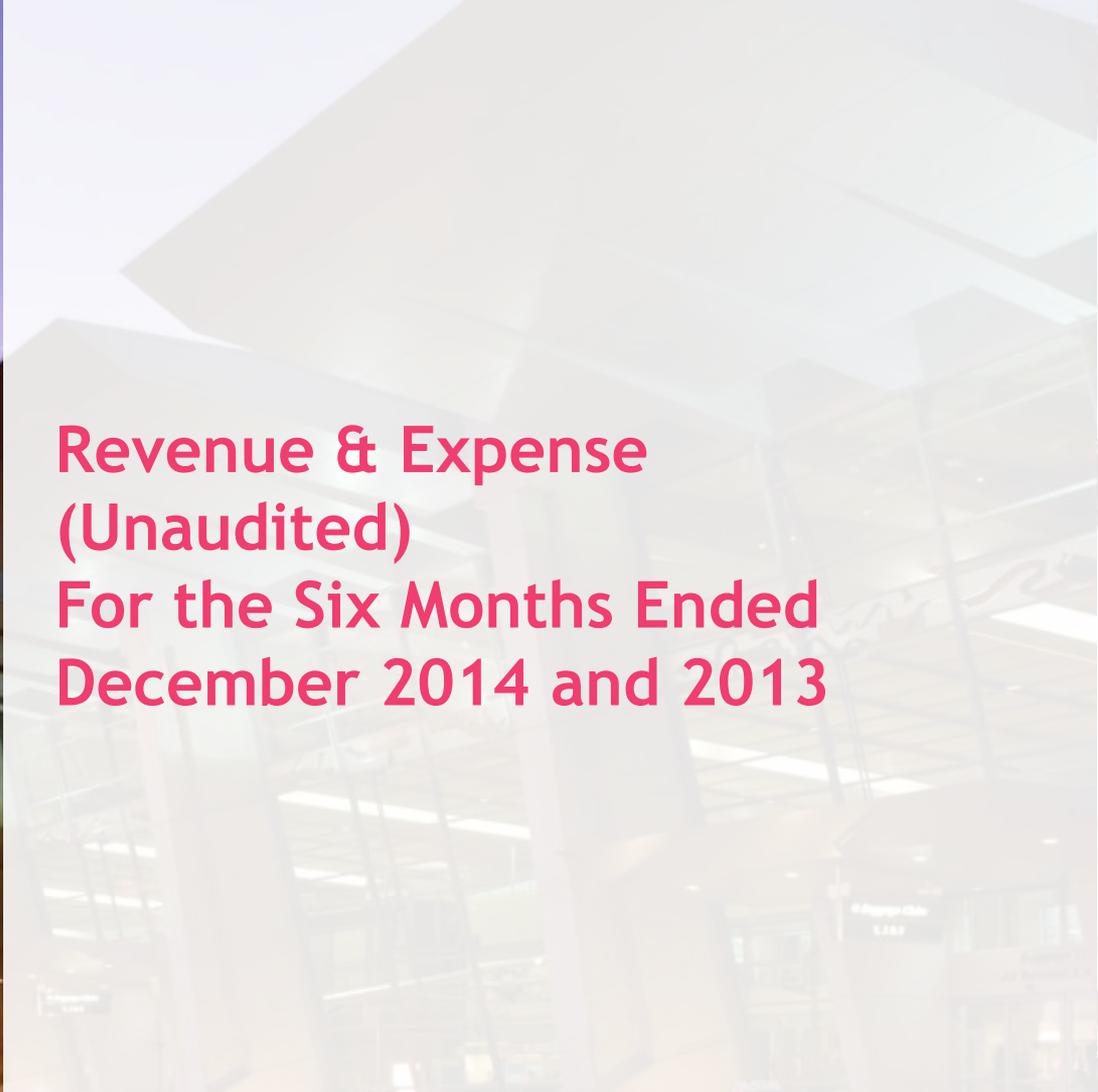
(In thousands)	<b>Budget</b>	<b>Actual</b>	<b>Variance Favorable (Unfavorable)</b>	<b>% Change</b>	<b>Prior Year</b>
Total operating revenues	\$ 16,761	\$ 16,941	\$ 180	1%	\$ 15,970
Total operating expenses	12,754	11,391	1,363	11%	10,447
<b>Income from operations</b>	<b>4,007</b>	<b>5,550</b>	<b>1,543</b>	<b>39%</b>	<b>5,523</b>
Depreciation	6,685	6,685	-	-	4,839
<b>Operating income (loss)</b>	<b>\$ (2,678)</b>	<b>\$ (1,135)</b>	<b>\$ 1,543</b>	<b>58%</b>	<b>\$ 684</b>

# Nonoperating Revenues & Expenses for the Month Ended December 31, 2014 (Unaudited)

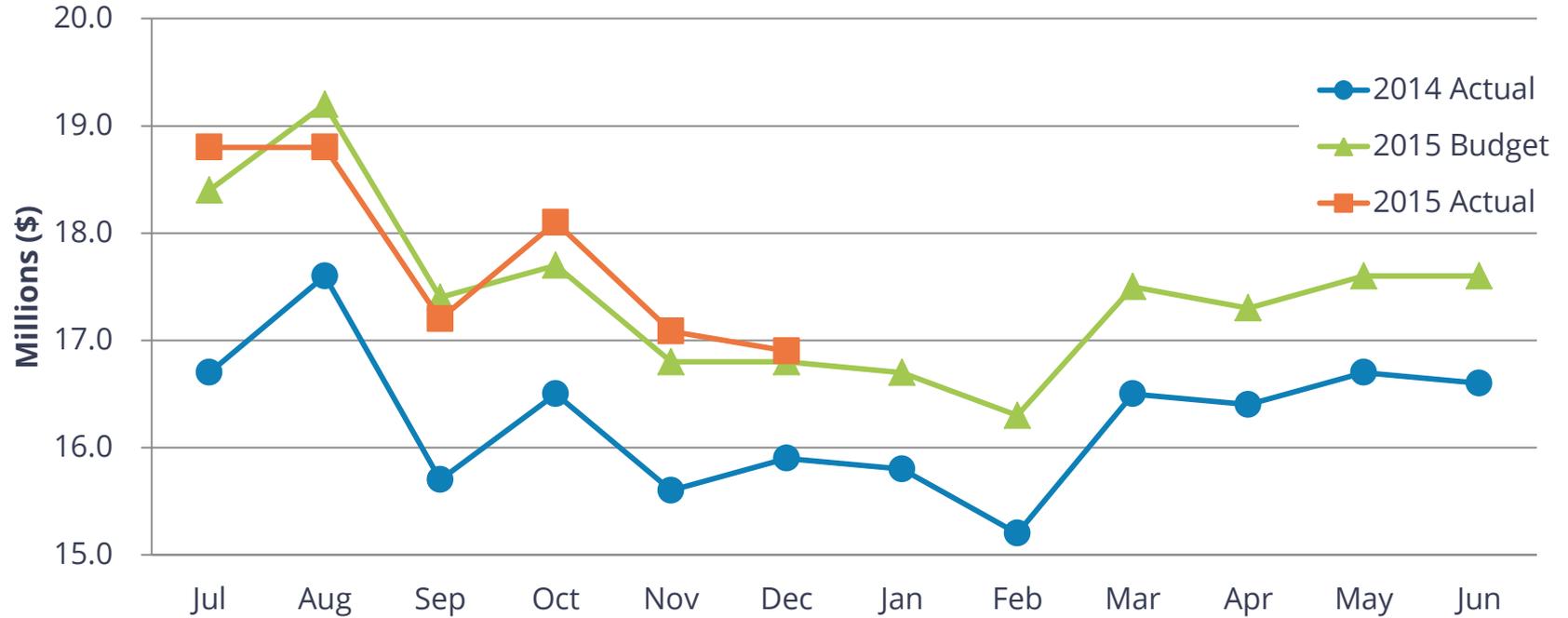
(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 2,473	\$ 2,431	\$ (42)	(2)%	\$ 2,162
Customer facility charges (Rental Car Center)	2,168	2,274	106	5%	1,612
Quieter Home Program, net	(244)	(123)	121	50%	(113)
Interest income	397	533	136	34%	403
BAB interest rebate	386	386	-	-	343
Interest expense & debt issuance costs	(4,304)	(5,077)	(773)	(18)%	(3,872)
Bond amortization	361	361	-	-	365
Other nonoperating revenue (expenses)	(1)	440	441	-	(279)
<b>Nonoperating revenue, net</b>	<b>1,236</b>	<b>1,225</b>	<b>(11)</b>	<b>(1)%</b>	<b>621</b>
<b>Change in net position before grant contributions</b>	<b>(1,442)</b>	<b>90</b>	<b>1,532</b>	<b>106%</b>	<b>1,305</b>
Capital grant contributions	1,625	156	(1,469)	(90)%	190
<b>Change in net position</b>	<b>\$ 183</b>	<b>\$ 246</b>	<b>\$ 63</b>	<b>34%</b>	<b>\$ 1,495</b>



**Revenue & Expense  
(Unaudited)  
For the Six Months Ended  
December 2014 and 2013**



# Monthly Operating Revenue, FY 2015 (Unaudited)



# Operating Revenues

## for the Six Months Ended December 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Aviation revenue:</b>					
Landing fees	\$ 11,993	\$ 11,948	\$ (45)	-	\$ 11,022
Aircraft parking fees	1,384	1,371	(13)	(1)%	1,256
Building rentals	24,982	25,184	202	1%	22,753
Security surcharge	13,265	13,265	-	-	12,485
CUPPS Support Charges	562	564	2	-	558
Other aviation revenue	797	800	3	-	794
<b>Total aviation revenue</b>	<b>\$ 52,983</b>	<b>\$ 53,132</b>	<b>\$ 149</b>	<b>-</b>	<b>\$ 48,868</b>

# Operating Revenues

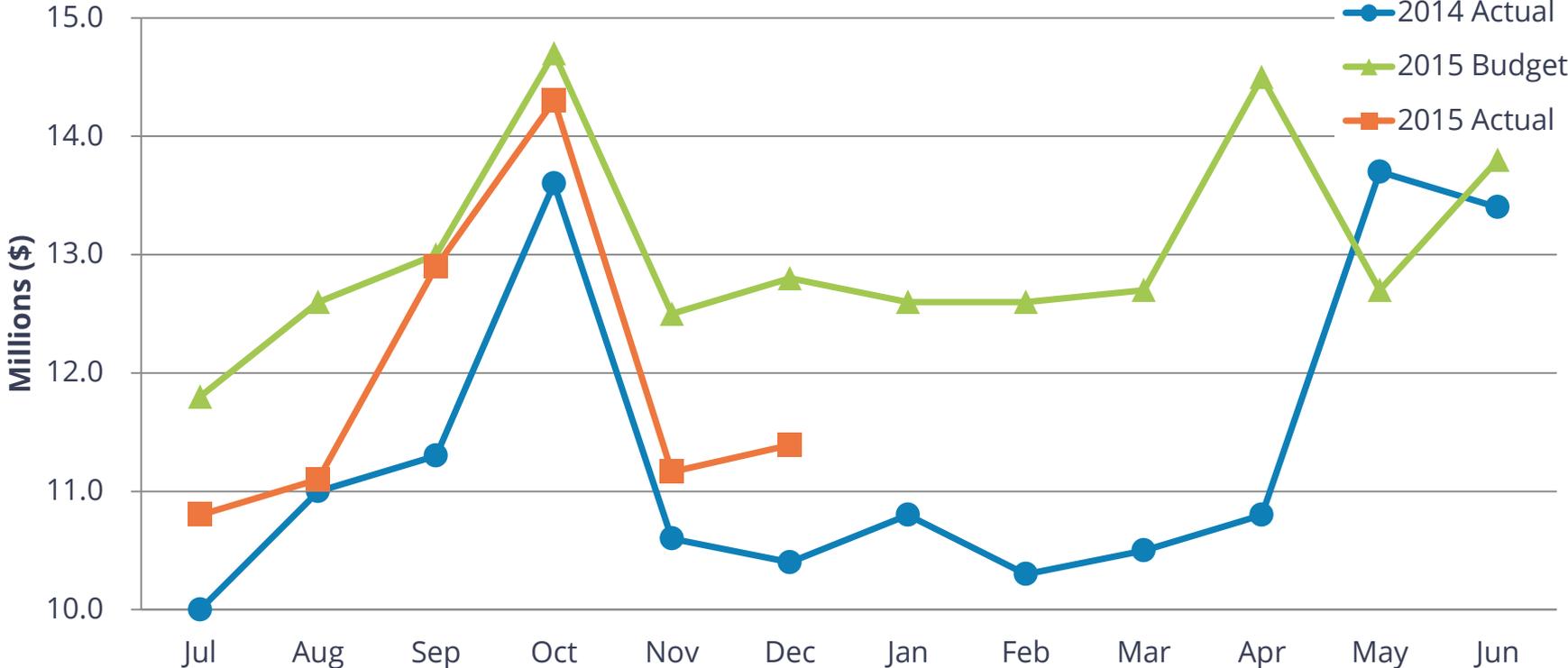
## for the Six Months Ended December 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	%	Prior Year
			(Unfavorable)	Change	
<b>Terminal rent non-airline</b>	\$ 748	\$ 611	\$ (137)	(18)%	\$ 538
<b>Concession revenue:</b>					
<b>Terminal concession revenue:</b>					
Food and beverage	3,948	4,325	377	10%	3,760
Retail	2,776	2,946	170	6%	2,483
Space storage	381	462	81	21%	451
Cost recovery	1,393	1,180	(213)	(15)%	1,031
Other <i>(Primarily advertising)</i>	1,648	1,901	253	15%	1,506
<b>Total terminal concession revenue</b>	<b>10,146</b>	<b>10,814</b>	<b>668</b>	<b>7%</b>	<b>9,231</b>
<b>Car rental and license fee revenue:</b>					
Rental car license fees	12,748	12,822	75	1%	12,292
License fees-other	2,129	2,248	119	6%	1,937
<b>Total rental car and license fees</b>	<b>14,877</b>	<b>15,070</b>	<b>193</b>	<b>1%</b>	<b>14,229</b>
<b>Total concession revenue</b>	<b>\$ 25,022</b>	<b>\$ 25,883</b>	<b>\$ 861</b>	<b>3%</b>	<b>\$ 23,460</b>

# Operating Revenues for the Six Months Ended December 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Parking revenue:</b>					
Short-term parking revenue	\$ 12,680	\$ 12,685	\$ 5	-	\$ 11,560
Long-term parking revenue	7,458	7,005	(453)	(6)%	6,943
<b>Total parking revenue</b>	<b>20,138</b>	<b>19,690</b>	<b>(448)</b>	<b>(2)%</b>	<b>18,503</b>
Ground transportation permits and citations	1,626	1,646	20	1%	1,417
Ground rentals	5,536	5,545	9	-	4,272
Grant reimbursements	147	147	-	-	224
Other operating revenue	235	367	132	56%	789
<b>Subtotal</b>	<b>27,682</b>	<b>27,395</b>	<b>(287)</b>	<b>(1)%</b>	<b>25,205</b>
<b>Total operating revenues</b>	<b>\$ 106,435</b>	<b>\$ 107,021</b>	<b>\$ 586</b>	<b>1%</b>	<b>\$ 98,071</b>

# Monthly Operating Expenses, FY 2015 (Unaudited)



# Operating Expenses

## for the Six Months Ended December 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Operating expenses:</b>					
Salaries and benefits	\$ 25,324	\$ 23,478	\$ 1,846	7%	\$ 19,792
Contractual services	16,610	14,654	1,956	12%	15,308
Safety and security	12,348	12,123	225	2%	12,260
Space rental	5,239	5,220	19	-	5,190
Utilities	4,842	6,060	(1,218)	(25)%	4,192
Maintenance	8,323	6,509	1,814	22%	6,333
Equipment and systems	280	41	239	85%	124
Materials and supplies	207	197	10	5%	160
Insurance	536	532	4	1%	494
Employee development and support	616	398	218	35%	501
Business development	1,296	1,291	5	-	1,130
Equipment rental and repairs	1,830	845	984	54%	1,274
<b>Total operating expenses</b>	<b>\$ 77,450</b>	<b>\$ 71,348</b>	<b>\$ 6,102</b>	<b>8%</b>	<b>\$ 66,758</b>

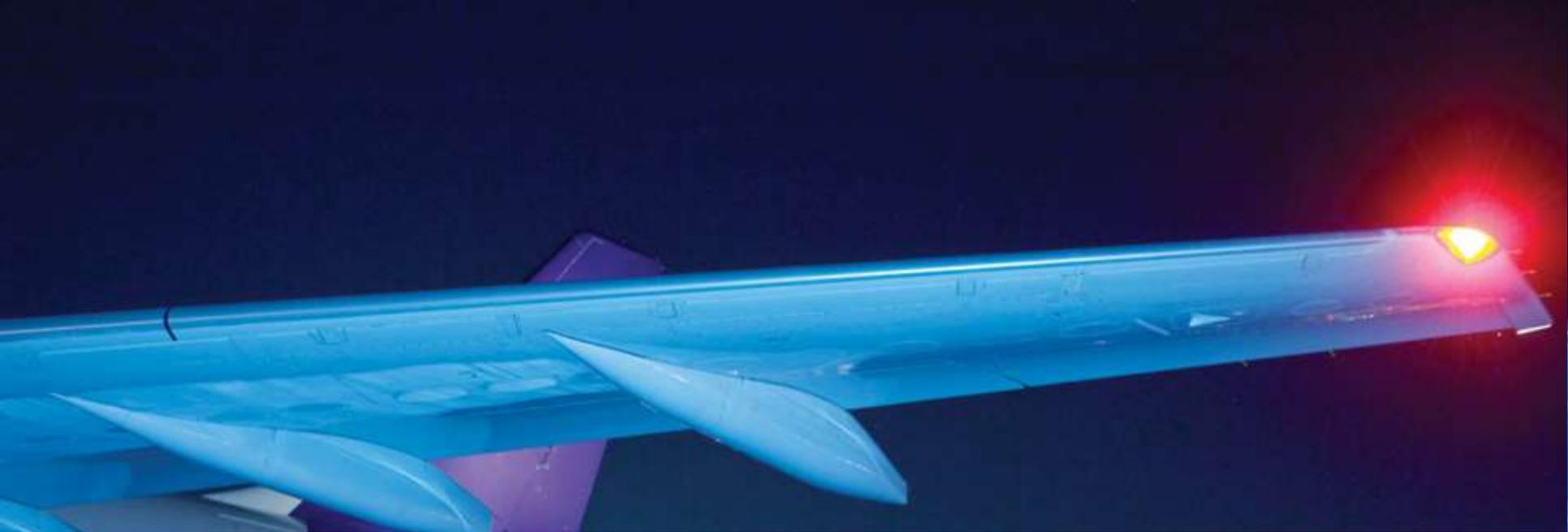
# Financial Summary

## for the Six Months Ended December 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
Total operating revenues	\$ 106,435	\$ 107,021	\$ 586	1%	\$ 98,071
Total operating expenses	77,450	71,348	6,102	8%	66,758
<b>Income from operations</b>	<b>28,985</b>	<b>35,673</b>	<b>6,688</b>	<b>23%</b>	<b>31,313</b>
Depreciation	39,942	39,942	(0)	-	29,290
<b>Operating income (loss)</b>	<b>\$ (10,957)</b>	<b>\$ (4,269)</b>	<b>\$ 6,688</b>	<b>61%</b>	<b>\$ 2,023</b>

# Non-operating Revenues & Expenses for the Six Months Ended December 31, 2014 (Unaudited)

(In thousands)	Budget	Actual	Variance Favorable (Unfavorable)	% Change	Prior Year
<b>Nonoperating revenues (expenses):</b>					
Passenger facility charges	\$ 17,609	\$ 17,895	\$ 286	2%	\$ 16,532
Customer facility charges (Rental Car Center)	14,902	15,767	865	6%	12,122
Quieter Home Program, net	(1,532)	(1,209)	323	21%	(940)
Interest income	2,420	2,876	456	19%	2,369
BAB interest rebate	2,318	2,318	(0)	-	2,318
Interest expense & debt issuance costs	(26,171)	(31,659)	(5,488)	(21)%	(23,029)
Bond amortization	2,175	2,175	-	-	2,202
Other nonoperating revenue (expenses)	(5)	(210)	(205)	-	1,924
<b>Nonoperating revenue, net</b>	<b>11,716</b>	<b>7,953</b>	<b>(3,763)</b>	<b>(32)%</b>	<b>13,498</b>
<b>Change in Net Position before grant contributions</b>	<b>759</b>	<b>3,684</b>	<b>2,925</b>	<b>385%</b>	<b>15,521</b>
Capital grant contributions	5,383	2,376	(3,007)	(56)%	1,145
<b>Change in Net Position</b>	<b>\$ 6,142</b>	<b>\$ 6,060</b>	<b>\$ (82)</b>	<b>(1)%</b>	<b>\$ 16,666</b>



**Statements of Net Position (Unaudited)  
December 31, 2014 and 2013**

# Statements of Net Position (Unaudited)

(In thousands)

**December**

**2014**

**2013**

## Current assets:

Cash and investments

\$ 68,375      \$ 97,079

Tenant lease receivable, net of allowance

of 2014: (\$53,737) and 2013: (\$52,704)

7,503      8,968

Grants receivable

2,394      2,771

Notes receivable-current portion

1,529      1,447

Prepaid expenses and other current assets

10,830      5,914

## **Total current assets**

**90,631      116,179**

**Cash designated for capital projects and other**

**\$ 19,323      \$ 14,504**

# Statements of Net Position (Unaudited)

(In thousands)

**December**

**2014**

**2013**

## Restricted assets:

### Cash and investments:

Bonds reserve	\$ 59,037	\$ 57,286
Passenger facility charges and interest unapplied	55,860	50,135
Customer facility charges and interest applied	44,451	39,856
Commercial paper reserve	-	59
SBD bond guarantee	4,000	4,000
Bond proceeds held by trustee	407,144	283,644
Commercial paper interest held by trustee	-	13
Passenger facility charges receivable	3,507	3,133
Customer facility charges receivable	3,340	1,826
OCIP insurance reserve	4,683	5,308
<b>Total restricted assets</b>	<b>\$ 582,022</b>	<b>\$ 445,260</b>

# Statements of Net Position (Unaudited)

(In thousands)

**December**

**2014**

**2013**

## Noncurrent assets:

### Capital assets:

Land and land improvements

\$ 71,082      \$ 71,294

Runways, roads and parking lots

570,131      535,063

Buildings and structures

1,042,883      714,712

Machinery and equipment

14,230      13,669

Vehicles

5,520      5,582

Office furniture and equipment

32,372      31,689

Works of art

2,629      2,284

Construction-in-progress

351,314      477,049

### **Total capital assets**

**2,090,161      1,851,342**

Less: accumulated depreciation

(696,777)      (610,985)

### **Total capital assets, net**

**\$ 1,393,384      \$ 1,240,357**

# Statements of Net Position (Unaudited)

	(In thousands)	
	<b>December</b>	
	<b>2014</b>	<b>2013</b>
<b>Other assets:</b>		
Notes receivable - long-term portion	\$ 37,613	\$ 39,182
Investments - long-term portion	83,600	63,272
Net pension asset	6,619	6,370
Security deposit	500	500
<b>Total other assets</b>	<b>128,332</b>	<b>109,324</b>
<b>Total noncurrent assets</b>	<b>1,521,716</b>	<b>1,349,681</b>
<b>TOTAL ASSETS</b>	<b>\$ 2,213,692</b>	<b>\$ 1,925,624</b>

# Statements of Net Position (Unaudited)

(In thousands)

**December**

**2014**

**2013**

## **Current liabilities:**

Accounts payable and accrued liabilities

\$ 65,393      \$ 71,139

Deposits and other current liabilities

4,404              3,247

### **Total current liabilities**

**69,797              74,386**

## **Current liabilities - payable from restricted assets:**

Current portion of long-term debt

10,695              11,835

Accrued interest on bonds  
and commercial paper

33,150              25,100

### **Total liabilities payable from restricted assets**

**\$ 43,845              \$ 36,935**

# Statements of Net Position (Unaudited)

(In thousands)

**December**

**2014**

**2013**

## **Long-term liabilities - other:**

Revolving line of credit and commercial paper payable

\$ 44,884      \$ 42,342

Other long-term liabilities

12,846      9,809

Long-term debt - bonds net of amortized premium

1,309,242      1,018,424

**Total long-term liabilities**

**1,366,972      1,070,575**

**Total liabilities**

**\$ 1,480,614      \$ 1,181,896**

# Statements of Net Position (Unaudited)

(In thousands)

**December**

**2014**

**2013**

## Net Position:

Invested in capital assets, net of related debt

\$ 427,346      \$ 443,335

Other restricted

174,891      161,603

Unrestricted:

Designated

25,114      20,874

Undesignated

105,727      117,916

**Total net position**

**733,078      743,728**

**TOTAL LIABILITIES AND NET POSITION**

**\$ 2,213,692      \$ 1,925,624**



Questions?





# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Communication

**Date:** February 19, 2015

**To:** Board Members

**Via:** Thella F. Bowens, President/CEO

**From:** Scott Brickner, Vice President, Finance & Asset  
Management/Treasurer

**Subject:** Accept the Authority's Investment Report as of December  
31, 2014:

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**RECOMMENDATION:** The Finance Committee recommends that the Board accept the report.





# San Diego County Regional Airport Authority

## Review of the Authority's Investment Report As of December 31, 2014

Presented by: Michael Sears  
Director of Financial Management

February 19, 2015

This report is prepared for the San Diego County Regional Airport Authority (the "Authority") in accordance with California Government Code Section 53646, which states that "the treasurer or chief fiscal officer may render a quarterly report to the chief executive officer, the internal auditor, and the legislative body of the local agency within 30 days following the end of the quarter covered by the report."

The investment report was compiled in compliance with California Government Code Section 53646 and the Authority's approved Investment Policy. All investment transactions made in the Authority's portfolio during this period were made on behalf of the Authority. Sufficient liquidity and anticipated revenue are available to meet expenditure requirements for the next six months.



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Scott Brickner, C.P.A.  
V.P. Finance & Asset Management / Treasurer  
San Diego County Regional Airport Authority

# Total Portfolio Summary

## Total Portfolio Summary

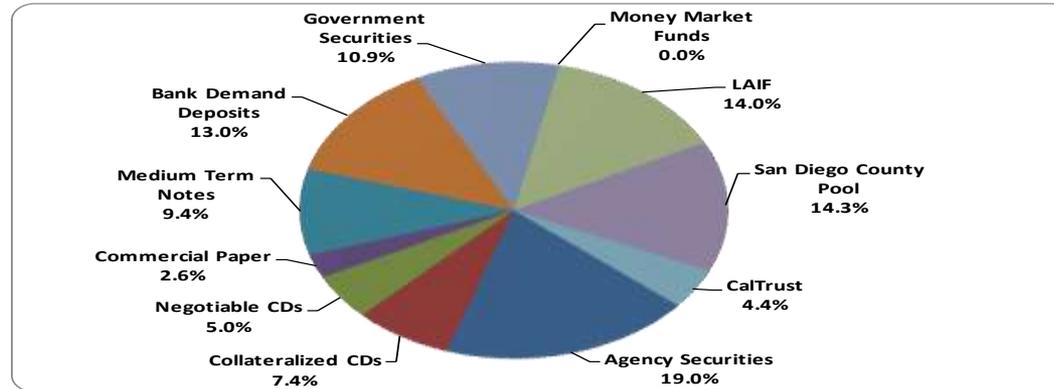
	Current Period	Prior Period	Change From Prior
	December 31, 2014	September 30, 2014	
Book Value (1)	\$340,123,000	\$350,252,000	(\$10,129,000)
Market Value (1)	\$339,696,000	\$349,872,000	(\$10,176,000)
Market Value%	99.87%	99.89%	(0.02%)
Unrealized Gain / (Loss)	(\$427,000)	(\$380,000)	(\$47,000)
Weighted Average Maturity (Days)	317 days	325 days	(8)
Weighted Average Yield as of Period End	0.53%	0.49%	0.04%
Cash Interest Received- Quarter-to-Date	\$341,000	\$311,000	\$30,000
Cash Interest Received- Year-to-Date	\$652,000	\$311,000	\$341,000
Accrued Interest	\$445,000	\$285,000	\$160,000

### Notes:

(1) Decrease in portfolio value is primarily due to capital expenditures exceeding capital receipts.

# Portfolio Composition by Security Type

	December 31, 2014		September 30, 2014		Permitted by Policy
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio	
Agency Securities	\$ 64,659,000	19.0%	\$ 56,664,000	16.2%	100%
Collateralized CDs	25,250,000	7.4%	15,221,000	4.4%	30%
Negotiable CDs	16,958,000	5.0%	16,967,000	4.8%	30%
Commercial Paper	8,997,000	2.6%	9,990,000	2.9%	25%
Medium Term Notes	31,810,000	9.4%	26,889,000	7.7%	15%
Bank Demand Deposits	43,485,000	13.0%	63,319,000	18.0%	100%
Government Securities	37,146,000	10.9%	49,139,000	14.0%	100%
Money Market Funds	150,000	0.0%	555,000	0.2%	20%
LAIF	47,607,000	14.0%	47,561,000	13.6%	\$50 million <sup>(1)</sup>
San Diego County Pool	48,591,000	14.3%	48,524,000	13.9%	\$50 million <sup>(2)</sup>
CalTrust	15,043,000	4.4%	15,043,000	4.3%	\$50 million <sup>(3)</sup>
<b>Total:</b>	<b>\$ 339,696,000</b>	<b>100.0%</b>	<b>\$ 349,872,000</b>	<b>100.0%</b>	

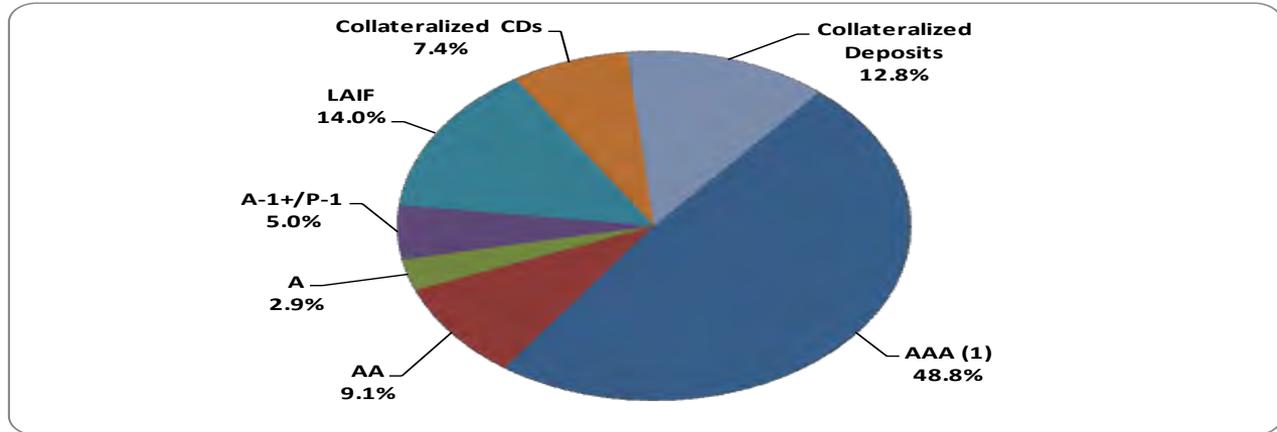


**Notes:**

- 1.) The \$50 million limit on LAIF is a non-statutory LAIF internal limit. It does not apply to bond proceeds.
- 2.) The San Diego County Investment Pool mirrors the LAIF internal limit and does not apply to bond proceeds.
- 3.) The CalTrust mirrors the LAIF internal limit and does not apply to bond proceeds.

# Portfolio Composition by Credit Rating

	December 31, 2014		September 30, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
AAA <sup>(1)</sup>	\$ 165,588,000	48.8%	\$ 169,926,000	48.5%
AA	30,891,000	9.1%	30,850,000	8.8%
A	9,877,000	2.9%	9,006,000	2.6%
A-1+/P-1	16,997,000	5.0%	13,990,000	4.0%
LAIF	47,607,000	14.0%	47,561,000	13.6%
Collateralized CDs	25,250,000	7.4%	15,221,000	4.4%
Collateralized Deposits	43,486,000	12.8%	63,318,000	18.1%
<b>Total:</b>	<b>\$ 339,696,000</b>	<b>100.0%</b>	<b>\$ 349,872,000</b>	<b>100.0%</b>

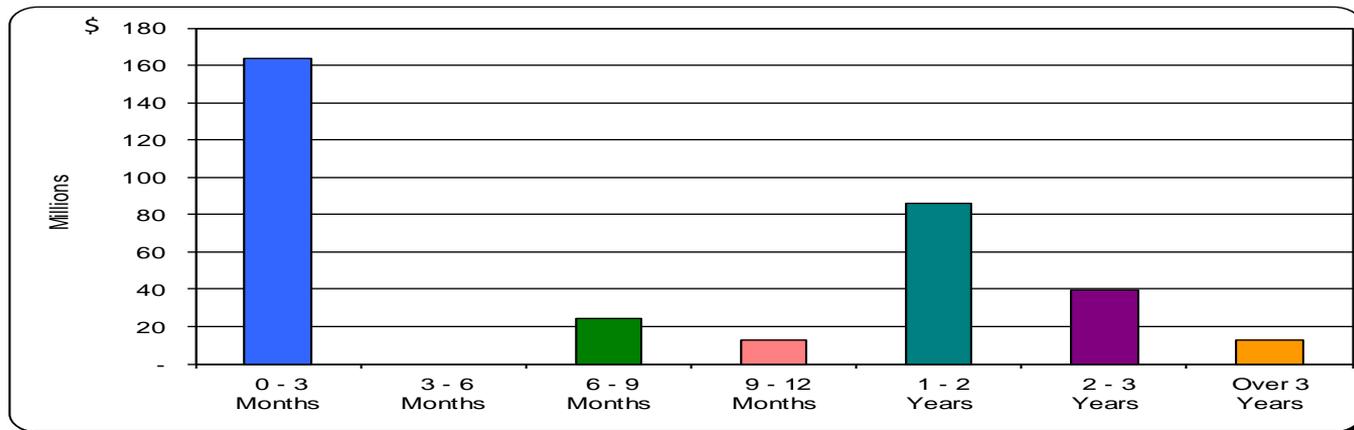


**Notes:**

1.) Includes investments that have split ratings between S&P (AA+), Moodys (AAA) and Fitch (AAA)

# Portfolio Composition by Maturity

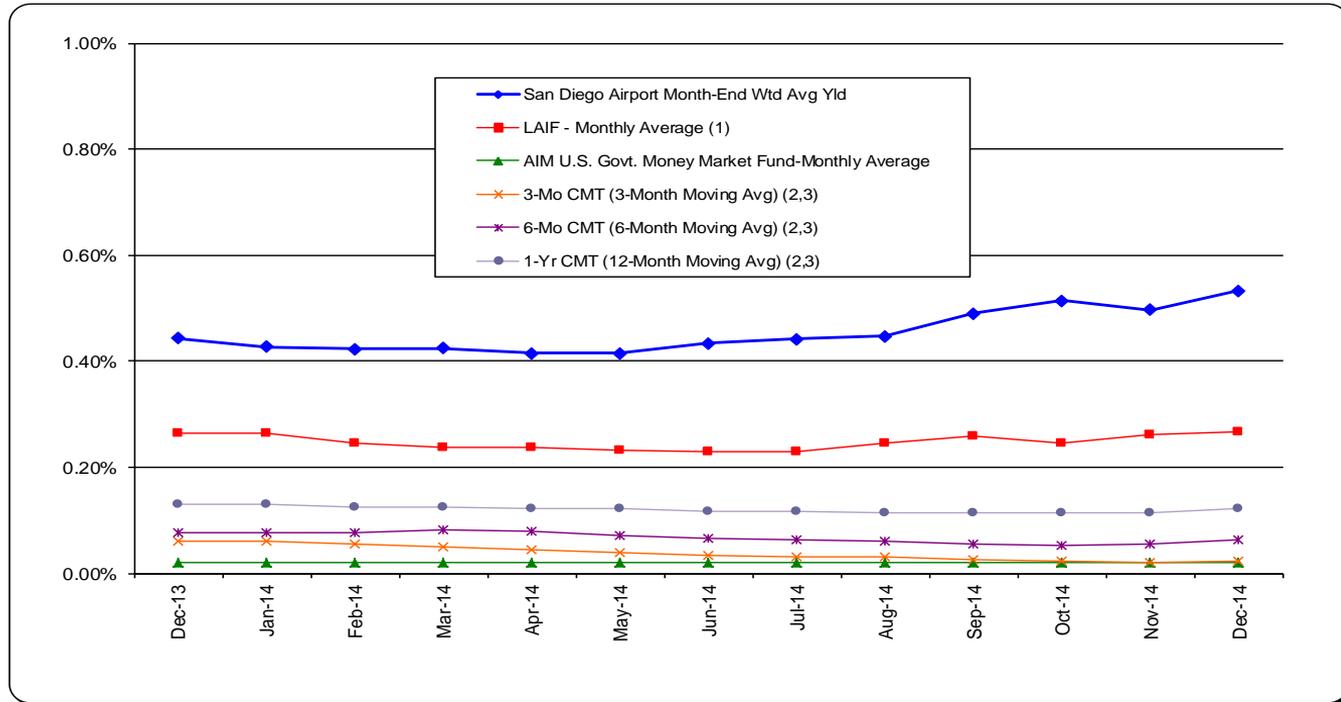
	December 31, 2014		September 30, 2014	
	Market Value	Percent of Portfolio	Market Value	Percent of Portfolio
0 - 3 Months	\$ 163,872,000	48.4%	\$ 176,002,000	50.3%
3 - 6 Months	-	0.0%	8,990,000	2.6%
6 - 9 Months	24,242,000	7.1%	-	0.0%
9 - 12 Months	13,038,000	3.8%	24,227,000	6.9%
1 - 2 Years	86,078,000	25.3%	82,975,000	23.7%
2 - 3 Years	39,464,000	11.6%	49,238,000	14.1%
Over 3 Years	13,002,000	3.8%	8,440,000	2.4%
<b>Total:</b>	<b>\$ 339,696,000</b>	<b>100.0%</b>	<b>\$ 349,872,000</b>	<b>100.0%</b>



**Notes:**

1.) The 0-3 Month category includes investments held in the LAIF, CalTrust, and the San Diego County Investment Pool.

# Benchmark Comparison



**Notes:**

- 1.) Benchmark data for LAIF is the average monthly effective yield.
- 2.) CMT stands for Constant Maturity Treasury. This data is published in Federal Reserve Statistical Release H.15 and represents an average of all actively traded Treasury securities having that time remaining until maturity. This is a standard industry benchmark for Treasury securities.
- 3.) The CMT benchmarks are moving averages. The 3-month CMT is the daily average for the previous 3 months, the 6-month CMT is the daily average for the previous 6 months, and the 1-year CMT is the daily average for the previous 12-months.

# Detail of Security Holdings As of December 31, 2014

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
12/28/12	FNMA	0.006	06/27/16	03/27/15	5,000,000	99.875	4,993,750	99.86	4,992,800	544	0.596
09/21/12	FHLMC	1.000	09/12/17	03/12/15	3,000,000	99.975	2,999,250	99.40	2,982,000	986	1.000
01/16/13	FHLMC	1.050	01/16/18	01/16/15	3,000,000	99.970	2,999,100	99.59	2,987,580	1112	1.056
01/09/13	FHLMC	1.375	01/09/18	01/09/15	2,000,000	101.440	2,028,800	100.02	2,000,480	1105	1.080
01/30/13	FNMA	1.030	01/30/18	01/30/15	3,500,000	99.990	3,499,650	98.92	3,462,025	1126	1.032
06/13/13	FHLB	0.375	06/24/16	06/24/16	5,000,000	99.023	4,951,150	99.76	4,987,800	541	0.701
10/10/13	FHLMC	0.875	10/14/16	10/14/16	4,000,000	100.180	4,007,200	100.37	4,014,920	653	0.814
11/21/14	FHLMC	0.400	05/27/16	05/27/16	8,000,000	100.071	7,997,600	99.79	7,983,520	513	0.420
12/10/13	FHLB	0.625	12/28/16	12/28/16	5,000,000	99.816	4,990,800	99.74	4,987,150	728	0.438
08/07/14	FHLB	0.500	09/28/16	09/28/16	8,300,000	99.696	8,277,375	99.74	8,278,005	637	0.653
09/08/14	FNMA	1.000	09/27/17	09/27/17	10,000,000	99.722	9,972,200	99.80	9,979,900	1001	1.093
06/12/13	FHLMC	0.500	05/13/16	05/13/16	8,000,000	99.707	7,976,568	100.04	8,002,800	499	0.601
<b>Agency Total</b>					<b>64,800,000</b>		<b>64,693,443</b>		<b>64,658,980</b>	<b>734</b>	<b>0.747</b>
07/02/14	East West Bk CD	0.500	07/02/15		10,208,548	100.000	10,208,548	100.00	10,208,548	183	0.500
10/21/14	East West Bk CD	0.500	10/21/15		10,010,000	100.000	10,010,000	100.00	10,010,000	294	0.500
09/05/14	Torrey Pines Bank CD	0.500	09/04/15		5,031,330	100.000	5,031,330	100.00	5,031,330	247	0.500
<b>Collateralized CDs Total</b>					<b>25,249,878</b>		<b>25,249,878</b>		<b>25,249,878</b>	<b>240</b>	<b>0.500</b>

# Detail of Security Holdings As of December 31, 2014

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
08/14/14	Citibank CD	0.371	08/11/15		4,000,000	100.000	4,000,000	100.00	4,000,000	223	0.371
09/11/14	US Bank CD	1.375	09/11/17		4,000,000	100.000	3,993,560	98.95	3,957,960	985	1.430
09/29/14	Toronto Dominion CD	0.900	09/29/16		5,000,000	100.000	5,000,000	100.00	5,000,000	638	0.900
08/19/14	Goldman Sachs CD	0.900	08/12/16		4,000,000	100.000	4,000,000	100.00	4,000,000	590	0.900
<b>Negotiable CDs Total</b>					<b>17,000,000</b>		<b>16,993,560</b>		<b>16,957,960</b>	<b>611</b>	<b>0.900</b>
07/17/14	UBS FINANCE CP	0.210	01/16/15		4,000,000	99.893	3,995,730	99.99	3,999,720	16	0.210
09/26/14	BANK OF TOKYO MITS CP	0.230	03/25/15		5,000,000	99.885	4,994,250	99.95	4,997,250	84	0.230
<b>Commercial Paper Total</b>					<b>9,000,000</b>		<b>8,989,980</b>		<b>8,996,970</b>	<b>54</b>	<b>0.221</b>
05/09/13	Apple Inc Notes	0.450	05/03/16		4,000,000	99.944	3,997,760	99.89	3,995,680	489	0.469
07/18/14	WELLS FARGO CO Notes	3.678	06/15/16		4,700,000	105.559	4,961,273	103.73	4,875,310	532	0.737
06/03/13	Toyota Motor Corp Notes	2.800	01/11/16		4,000,000	105.114	4,204,560	102.17	4,086,840	376	0.812
08/30/13	Caterpillar Financial	0.411	08/28/15		5,000,000	100.000	5,000,000	100.03	5,001,650	240	0.411
10/10/13	GE CAP CORP	0.843	01/08/16		5,000,000	100.452	5,022,600	100.37	5,018,600	373	0.680
11/19/14	CHEVRON CORP	1.345	11/15/17		5,000,000	100.199	5,009,950	100.08	5,004,050	1050	1.345
11/01/13	COCA COLA CORP NOTE	0.750	11/01/16		800,000	100.080	799,080	99.98	799,800	671	0.789
07/08/13	WAL MART STORES INC	1.500	10/25/15		3,000,000	102.028	3,060,836	100.93	3,027,780	298	0.617
<b>Medium Term Notes</b>					<b>31,500,000</b>		<b>32,056,059</b>		<b>31,809,710</b>	<b>498</b>	<b>0.738</b>

# Detail of Security Holdings As of December 31, 2014

Settlement Date	Security Description	Coupon	Maturity Date	Next Call Date	Par Value	Purchase Price	Book Value	Market Price	Market Value	Days to Maturity	Yield to Maturity
02/10/14	U.S. Treasury	0.375	02/10/16		3,000,000	100.144	350,506	11.67	350,165	406	0.375
02/24/14	U.S. Treasury	0.750	01/15/17		3,000,000	100.230	3,006,914	100.07	3,002,100	746	0.669
06/03/13	U.S. Treasury	0.250	05/15/16		750,000	99.234	744,258	99.79	748,418	501	0.512
03/31/14	U.S. Treasury	1.000	03/31/17		6,000,000	100.175	6,013,594	100.42	6,025,320	821	0.940
03/05/14	U.S. Treasury	1.000	08/31/16		8,890,000	101.203	8,996,958	100.75	8,956,675	609	0.512
04/15/14	U.S. Treasury	0.375	03/31/16		5,000,000	100.016	5,000,781	99.98	4,999,200	456	0.367
12/30/14	U.S. Treasury	0.750	12/31/17		4,600,000	98.730	4,541,602	98.95	4,551,470	1096	1.182
06/18/14	U.S. Treasury	0.875	01/31/17		5,000,000	100.199	5,009,961	100.29	5,014,450	762	0.798
06/18/14	U.S. Treasury	0.875	06/15/17		3,500,000	99.967	3,488,516	99.95	3,498,075	897	0.987
<b>Government Total</b>					<b>39,740,000</b>		<b>37,153,089</b>		<b>37,145,872</b>	<b>737</b>	<b>0.738</b>
	Torrey Pines Bank MM				5,031,942	100.000	5,031,942	100.00	5,031,942	1	0.400
	East West Bank				103,517	100.000	103,517	100.00	103,517	1	0.350
	East West Bank				21,501,223	100.000	21,501,223	100.00	21,501,223	1	0.350
	Wells Fargo Bank				4,049,194	100.000	4,049,194	100.00	4,049,194	1	0.250
	US Bank General Acct				12,800,141	100.000	12,800,141	100.00	12,800,141	1	0.035
	<b>Bank Demand Deposits</b>				<b>43,486,017</b>		<b>43,486,017</b>		<b>43,486,017</b>	<b>1</b>	<b>0.254</b>
	Reich & Tang MMF				149,731	100.000	149,731	100.00	149,731	1	0.000
	<b>Money Market Fund</b>				<b>149,731</b>		<b>149,731</b>		<b>149,731</b>	<b>1</b>	<b>0.000</b>
	Local Agency Invstmnt Fd				47,576,101	100.000	47,576,101	100.06	47,606,921	1	0.267
	San Diego County Inv Pool				48,732,913	100.000	48,732,913	99.71	48,590,937	1	0.460
	CalTrust				15,042,564	100.000	15,042,564	100.00	15,042,564	1	0.390
<b>Grand Total</b>					<b>\$ 342,277,204</b>	<b>100.16</b>	<b>\$ 340,123,335</b>	<b>99.87</b>	<b>\$ 339,695,540</b>	<b>317</b>	<b>0.533</b>

# Portfolio Investment Transactions

## From October 1<sup>st</sup>, 2014 - December 31<sup>st</sup>, 2014

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
10/21/14	EAST WEST BANK	CD	CD	0.500	10/21/15	--	100.000	\$ 10,000,000
11/19/14	CHEVRON CORP NTS	MTN	166764AL4	1.345	11/15/17	--	100.199	5,010,137
11/21/14	FHLMC NT	AGCY	3134G5RF4	0.400	05/27/16	--	99.970	7,997,600
12/30/15	US TREAS NTS	US TREAS NTS	912828UE8	0.750	12/31/17	--	98.730	4,600,000
								\$ 27,607,737
<b>CALLS</b>								
								\$ -
<b>MATURITIES</b>								
05/12/14	RABOBANK USA	CP	74977LLC9	0.210	11/12/14	--	100.000	\$ 998,927
								\$ 998,927
<b>WITHDRAWALS/SALES</b>								
10/21/14	EAST WEST BANK	DEMAND DEPOSITS	MONEY MARKET	0.350	--	--	100.000	\$ 10,000,000
11/19/14	US TREAS NTS	US TREAS NTS	912828UG3	0.375	01/15/16	--	100.184	4,012,520
11/21/14	US TREAS NTS	US TREAS NTS	912828C81	0.375	04/30/16	--	100.105	8,010,178
12/30/14	US TREAS NTS	US TREAS NTS	912828UG3	0.375	01/15/16	--	100.055	1,901,039
12/30/14	US TREAS NTS	US TREAS NTS	912828B41	0.375	01/31/16	--	100.035	2,650,932
								\$ 26,574,669

# Bond Proceeds Summary

As of: December 31, 2014

(in thousands)

	Series 2010		Series 2013		Series 2014		Total	Yield	Rating	
<b>Project Fund</b>										
LAIF <sup>(1)</sup>	\$	-	\$	-	\$	79,016	\$	79,016	0.27%	N/R
SDCIP <sup>(2)</sup>		-		67,891		92,729		160,620	0.46%	AAAf
	\$	-	\$	67,891	\$	171,745	\$	239,636		
<b>Capitalized Interest</b>										
SDCIP <sup>(2)</sup>	\$	-		456	\$	24,504	\$	24,960	0.46%	AAAf
	\$	-	\$	456	\$	24,504	\$	24,960		
<b>Debt Service Reserve &amp; Coverage Funds</b>										
SDCIP <sup>(2)</sup>	\$	30,303	\$	33,071	\$	13,490	\$	76,864	0.46%	AAAf
East West Bank CD		20,694		-		-		20,694	0.75%	N/R
Torrey Pines DDA		-		-		15,063		15,063	0.50%	N/R
	\$	50,997	\$	33,071	\$	28,553	\$	112,621		
	\$	50,997	\$	101,418	\$	224,802	\$	377,217	0.44%	
*Bond proceeds are not included in deposit limits as applied to operating funds										

(1) LAIF Yield as of 11/30/2014

(2) SDCIP Yield as of 11/30/2014

# Bond Proceeds Investment Transactions

## From October 1<sup>st</sup>, 2014 - December 31<sup>st</sup>, 2014

Settle Date	Security Description	Security Type	CUSIP	Coupon	Mature Date	Call Date	Unit Price	Amount
<b>PURCHASES</b>								
							\$	-
<b>CALLS</b>								
							\$	-
<b>MATURITIES</b>								
							\$	-
<b>DEPOSITS</b>								
10/29/2014	SDCIP (2010 Bonds)		SDCIP	0.47			1.000	\$ 16,167,882
							\$	16,167,882
<b>WITHDRAWALS / SALES</b>								
10/23/2014	LAIF (2014 Bonds)	LAIF		0.25			1.000	\$ 1,377,012
10/29/2014	Bank of the West	DDA		0.24			1.000	16,167,882
10/31/2014	SDCIP (2013 Bonds)	SDCIP		0.47			1.000	8,850,560
11/24/2014	LAIF (2014 Bonds)	LAIF		0.26			1.000	17,967,075
11/24/2014	SDCIP (2013 Bonds)	SDCIP		0.46			1.000	3,226,709
							\$	47,589,238



Questions ?



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
9**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Fiscal Year 2015 Second Quarter Audit Activities Report, and Audit Recommendations Issued by the Office of the Chief Auditor**

**Recommendation:**

The Audit Committee recommends that the Board receive the report.

**Background/Justification:**

The Charter for the Office of the Chief Auditor (OCA) directs the Office to provide periodic communications and presentations to the Audit Committee with respect to management's systems of control, audit findings, management's responses, and including any steps adopted to resolve a noted issue.

The Chief Auditor hereby submits the Fiscal Year 2015 Second Quarter Activity Report (Attachment A) that summarizes the activities and accomplishments of his office from October 31, 2014, through December 31, 2014.

The Office of the Chief Auditor completed six audits from the Fiscal Year 2015 Audit Plan and issued five recommendations during the second quarter. The implementation status of audit recommendations issued by the Office of the Chief Auditor is detailed in Appendix C of the activity report.

On February 9, 2015, the Audit Committee received a presentation on the 2015 second quarter activities of the OCA, provided by the Manager, Audit Services, at a regular meeting of the Audit Committee. The Committee unanimously voted to forward the report to the Board for information.

**Fiscal Impact:**

None

**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:**

MARK A. BURCHYETT  
CHIEF AUDITOR



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
OFFICE OF THE CHIEF AUDITOR

FY15 SECOND QUARTER REPORT

January 29, 2015

000043



# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

January 29, 2015

FY15 Second Quarter Report

Tom Smisek, Chair  
Audit Committee  
San Diego County Regional Airport Authority  
P.O. Box 82776  
San Diego, California 92138-2776

Dear Mr. Smisek:

The Office of the Chief Auditor (OCA) presents our Fiscal Year 2015 Second Quarter Report. The report details both the audit and the administrative activities of the OCA during the second quarter of Fiscal Year 2015; and it includes the resolutions of past audit findings and information regarding the future plans of the OCA.

The Second Quarter Report will be presented at the next Audit Committee meeting scheduled for February 9, 2015.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark A. Burchyett", written over a horizontal line.

Mark A. Burchyett  
Chief Auditor

**Audit Results**

During the second quarter, the OCA continued its work on audits contained within the FY15 audit plan, as authorized by the Audit Committee, and wrapped up audits from the FY14 audit plan. In total, during the second quarter, the OCA issued six (6) audits reports. For the month of December, we issued two (2) audit reports, for which audit snapshots are located in Appendix A. The audit reports included one (1) recommendation, bringing the total recommendations issued during the second quarter to five (5). The completed audits are listed in Figure 1 below, and the status of recommendations is presented on Page 3.

*Figure 1: Audits Completed During the Second Quarter of Fiscal Year 2015*

Audit	Report No.	Date	Type of Audit
Mission Yogurt	15032	10/8/2014	Revenue Contract
EZ Rent A Car, Inc.	15021	11/10/2014	Revenue Contract
Avis Rent A Car Systems, LLC	15017	11/26/2014	Revenue Contract
Demattei Wong Architecture, Inc.	15013	11/26/2014	Expense Contract
Fox Rent A Car, Inc.	15019	12/3/2014	Revenue Contract
PGC-PCI San Diego, LLC (Pacific Gateway Concessions, Inc. and Procurement Concepts, Inc.)	15030	12/4/2014	Revenue Contract

In addition to the completed audits, the Office of the Chief Auditor had eleven (11) audits in progress as of December 31, 2014, as shown in Figure 2 below:

*Figure 2: Audits In-Progress as of December 31, 2014*

Audit	Type of Audit
Airport Noise Management	Internal Process
Aircraft Rescue & Fire Fighting (ARFF) Expense Billings - FY14	Expense Contract
Aztec Landscaping	Expense Contract
Cloud Management and Performance	Internal Process
Concessionaire Management and Performance	Internal Process
Enterprise Rent A Car Company	Revenue Contract
Hudson Group, Concourse Ventures, Inc.	Revenue Contract
JCDecaux Airport, Inc.	Revenue Contract
Merriwether Williams Insurance Services	Expense Contract
Network Security Electronics, Inc.	Expense Contract
The Hertz Corporation	Revenue Contract

Of the eleven (11) in-progress audits above, at the end of the quarter, four (4) draft audit reports had been forwarded to the affected departments for review and comment. Of those four (4), three (3) audit reports, Airport Noise Management, JCDecaux, and Network Security Electronics, Inc., have been issued.

*Recommendation Follow-Up*

To ensure that audit issues are addressed in a timely manner, the OCA tracks the status of its recommendations on an on-going basis. For the last month in the quarter, the OCA tracked the implementation status of 17 recommendations that were issued during FY15, or were outstanding as of June 30, 2014. As shown by Figure 3 below, eleven (11) of the recommendations have been completed or implemented while six (6) remain outstanding.

See Appendix C for a complete listing of all outstanding recommendations and their status.

Figure 3: Status of Recommendations as of December 31, 2014

<b>Recommendations:</b>				
<b>Tracked</b>	<b>Completed</b>	<b>In Progress</b>	<b>Open</b>	<b>Not Accepted</b>
<b>17</b>	<b>11</b>	<b>6</b>	<b>0</b>	<b>0</b>

In tracking recommendations the OCA uses the following designations:

- **Completed:** This designation is used for recommendations that the OCA has determined to be adequately implemented or for recommendations where alternate action is taken that adequately addresses the risk identified.
- **In Progress:** These recommendations have been partially addressed or partial corrective action has been taken. If adequate progress is not being made, it will be noted as such.
- **Open:** This category of recommendations have not yet been addressed. Usually, this designation is used when there has not been adequate time between report issuance and recommendation follow-up.
- **Not Accepted:** This designation is used for recommendations that an auditee does not accept and, therefore, will not implement. This category can represent a failing on the part of the OCA, as all recommendations should be workable and acceptable to the affected departments.

It appears that adequate progress is being made with the majority of recommendations. The OCA will continue its monthly tracking of their status. Specifically, the non-completion of the "In Progress" recommendations should not have a material adverse effect on the Authority.

*Non-Audit Activities*

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Along with the audit activities detailed above, the OCA continues its involvement in several non-audit projects and activities. Specifically, the OCA was involved in the following:

**Audit Committee:**

The Audit Committee met on November 17, 2014. During that meeting, the Committee received the Authority's audited financials and CAFR for Fiscal Year Ended June 30, 2014; an update on the Construction Audit activity; the OCAs FY15 First Quarter Activity Report; and the annual internal assessment of the OCA. The next Audit Committee meeting is February 9, 2015.

**Construction Audit Activity:**

For the second quarter of Fiscal Year 2015, the OCA continued its Construction Audit activity separate from its Annual Audit Plan. The OCA Construction Auditor completed the audit of the Demattei Wong Architecture, Inc. as part of the FY15 OCA Audit Plan. The knowledge of Authority processes gained from this audit is currently being used to observe and review the development of RFQs for future large projects.

Review of the Green Build attic stock and the Terminal Flight Information Display System project is nearing completion. Through attendance at the Capital Improvement Committee meetings, Northside Development Stakeholder meetings, and other construction planning related meetings, the OCA Construction Auditor continues to provide assistance in ensuring that the Authority is meeting compliance requirements for ongoing and planned projects.

Additionally, the OCA Construction Auditor remains involved with issues identified by the Airport Design and Construction team and by Authority Management, giving assistance and attending meetings specific to the aspects of the Authority's construction activity. A formal update is presented to the Audit Committee during regularly scheduled meetings and will be presented to the Capital Improvement Program Oversight Committee as determined necessary.

**Ethics Compliance Program:**

The OCA continues to run the Authority Ethics Program and confidential hotline system. Over the quarter, two reported items warranted an investigation into potential Code of Ethics violations. One issue was resolved without a finding, and a second issue was turned over to Management for appropriate action. The Ethics Officer continues to receive numerous employee-related concerns as well. Items that continue to surface are:

- Volunteer opportunity emails; quantity and feeling pressured.
- United Way; desire for organization to support donations to additional charities.
- Departmental holiday parties; Authority funds expended amongst/between departments.

See Appendix B, Ethics Hotline Call Summary, for a complete summation of calls received during the quarter

**Training:**

During the second quarter, OCA staff participated in several Internet-based and self-paced training seminars. Of note were sessions regarding Cloud security, business writing and communications, investigating via computer, and third party risks.

*Performance Measures*

The OCA establishes performance measures each year to provide a benchmark to gauge its success. The five (5) performance measures for FY15, along with their current status, are detailed below in Figure 4.

Figure 4: Status of Performance Measures as of December 31, 2014

Performance Measure	Goal	Progress as of December 31, 2014
Percentage of the audit plan completed annually	100%	36%
Additional revenue/cost savings identified through audits	n/a	\$113,494
Percentage of staff time spent on audit activities	80% <sup>1</sup>	89%
Percentage of audits completed within budgeted time	80%	83%
Implementation of Recommendations	90%	80%

**Percentage of the audit plan completed annually:** This measure provides information on what has been accomplished regarding the planned audit projects for the year. To date the OCA has completed 36% of the plan and an additional 24% of the audit plan is currently in-progress. We also have established quarterly goals for the completion of our audit plan. For the second quarter, we had a completion goal of 51% of the audit plan. Regardless, we should be able to meet our annual goal of completing the entire plan by the end of the fiscal year.

**Additional revenue/cost savings identified:** While the value of an audit cannot be adequately assessed by this performance measure, it does provide quantifiable values for completed audits. During the first two quarters we identified a net total of \$113,494 as shown in Figure 5 below. To date, we have not identified any soft cost savings through our auditing activities.

Figure 5: Additional Revenue and Cost Savings Identified through Audit Activity

Audit Report	Title	Amount Identified
15017	Avis Rent A Car Systems	\$133,955
15019	Fox Rent A Car	12,775
14032	Emergency Medical Technician-Paramedic Services	6,984
15021	EZ Rent A Car	<40,220>
<b>Total</b>		<b>\$113,494</b>

**Percentage of staff time spent on audit activities:** This measure helps ensure that the OCA spends an adequate amount of time on audit activities rather than administrative activities. To date, the OCA is well over its current goal of 80%.

<sup>1</sup> This percentage is the percentage of time staff spends on audit projects, construction audit activities, training, and the Ethics Program, vs. total staff time worked.

**Percentage of audits completed within budgeted time:** This category monitors how efficient audit staff is in performing their audits. Specifically, audit staff is held accountable to the internally prepared audit budgets for each project. However, it recognizes that budgets may need adjustment(s) as additional facts become known during an audit. For the fiscal year to date, the OCA is over its goal of completing 80% of its projects within the budgeted amount of time.

**Implementation of Recommendations:** This goal measures the value that the OCA is providing to the Authority by measuring how audit recommendations have impacted the Authority. For the fiscal year, twenty-four (24) of thirty (30) recommendations were implemented. While the percentage of implemented recommendations is under our goal, we are on track to achieve the goal, with an aim to have 90% of our recommendations implemented within the year.

*Going Forward*

For completion during the second quarter of FY15, the OCA has targeted all of the audits currently in progress, as well as three (3) additional audits on the FY15 Audit Plan. The completion of these audits will result in the accomplishment of 68% of the FY15 Audit Plan. Figure 6 identifies the audits scheduled for completion in the third quarter.

*Figure 6: Audits Scheduled for Completion in the Third Quarter of Fiscal Year 2015*

Audit	Type of Audit
Airport Noise Management Performance [Issued 1-8-15]	Internal Process
Aircraft Services International, Inc,	Revenue Contract
Aircraft Rescue & Fire Fighting (ARFF) Expense Billings - FY14	Expense Contract
Aztec Landscaping	Expense Contract
Cloud Management and Performance	Internal Process
Concessionaire Management and Performance	Internal Process
Enterprise Rent A Car Company	Revenue Contract
Gate Gourmet	Revenue Contract
Hudson Group, Concourse Ventures, Inc.	Revenue Contract
JCDecaux Airport, Inc. [Issued 1-16-15]	Revenue Contract
Merriwether Williams Insurance Services	Expense Contract
Network Security Electronics, Inc. [Issued 1-20-15]	Expense Contract
Procurement Card Spending	Internal Process
The Hertz Corporation	Revenue Contract

**Fox Rent A Car, Inc.**  
Report Number 15019, December 2014

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**Background**

Fox Rent-a-Car (Fox) operated at San Diego International Airport (SDIA) under the current Non-Exclusive Airport Car Rental License Agreement (Agreement) with a five (5) year term from January 1, 2011, to December 31, 2015. The Agreement grants Fox the right to provide rental car services and use courtesy vehicles at SDIA. The Agreement requires Fox to remit a license fee to the Authority. The license fee is the greater of a Minimum License Fee of \$100 per month, or a 10 percent fee based on total gross revenues from "Airport Customers".

The Agreement defines an Airport Customer as "any customer who is transported between the Airport and Licensee's business location via a shuttle, bus, tram, taxi, or courtesy vehicle service, or other vehicle". The Agreement defines gross revenue as any consideration of any kind received, derived, and/or billed by the Licensee from the rental of vehicles, time and mileage charges, insurance coverage charges, drop-off fees, or exchanges, or from anything else, when the rental contract is executed.

During the audit period, which ran from July 1, 2012, to June 30, 2014, Fox reported gross revenue of \$23,985,577 to SDIA and paid \$2,398,558 in license fees and remitted \$2,676,154 of CFCs. The objective of this audit was to determine that gross revenue reported by Fox was accurate and that both license fees and CFCs due were calculated in accordance with the terms of the Agreement.

**Finding #1:** *Fox Did Not Comply with Section 4(b) of the License*

Section 4(b) of the License provides for specific requirements of the Licensee for the proper documentation of local or "non-airport" customers to be classified as such. Audit work found that Fox properly included the non-airport statement on rental contracts during the audit period. However, our review of a sample of car rental contracts from "non-airport customers" determined that 5 out of 30 (comprising 7.6% of total concessionable dollars tested), failed one or more of the requirements to classify a local customer as a "non-airport customer". As a result, 7.6% of local revenue during the audit period from July 1, 2012, to June 30, 2014, must be reclassified as airport revenue and subject to the license fee of 10%, and therefore, Fox underpaid license fees by \$12,775.

**Recommendation:** The Business & Financial Management Department should request that the Accounting Department issue an invoice to Fox for \$12,775 for the underpayment of license fees.

**Pacific Gateway Concessions, Inc. and Procurement Concepts, Inc.**  
Report Number 15030, December 2014

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**Background**

Pacific Gateway Concessions, Inc. and Procurement Concepts, Inc. dba PGC-PCI San Diego, LLC (PGC-PCI) is one of twelve concessionaires that were selected by the San Diego County Regional Airport Authority (Authority) in September 2011 as part of the Concession Development Program. Currently, Concession Lease LE-0665 (Lease) is the primary contract between PGC-PCI and the Authority. The contract is managed by the Business & Financial Management Department. The Lease contains a distinct retail "package" that details terms of a fixed Minimum Annual Guarantee (MAG) and percentage rents of gross sales within a specified range. PGC-PCI maintains one package that includes seven (7) individual retail locations at SDIA.

For Fiscal Year 2014, PGC-PCI reported gross sales of \$5,169,450 and paid \$840,534 in rent (includes Minimum Annual Guarantee and Percentage Rent). The objective of this audit was to assess the accuracy of the sales generated by PGC-PCI during the audit period to ensure that the revenue received by the Authority was aligned with the terms of the Lease.

**Audit Results: No Findings**

In general, we found that the Business & Financial Management Department is adequately monitoring PGC-PCI to ensure that the concessionaire is in compliance with the contract requirements that were reviewed. Management controls to ensure that PGC-PCI is accurately reporting sales and paying revenue to the Authority were in place and operating effectively, as well. In addition, the test work performed indicated that sales reported during the audit period and revenue received by the Authority were accurate.

Ethics Summary  
October - December 2014

Code of Ethics Concerns	Number of Reports Received	Number Received Anonymously	Details Support Potential Code Violation (Ethics or Workplace)	Investigation of Concern	Response (email or phone to non-anonymous reports)
<b>Potential Misuse of Public Funds</b>					
<i>Construction/Car Rental</i>	11	9	0	n/a	2
<i>Advertising</i>	7	7	0	n/a	0
<b>Potential Misuse of Resources</b>					
<i>Departmental Holiday Parties</i>	13	8	0	n/a	5
<i>All Employee Holiday Party</i>	3	2	0	n/a	1
Employee Misconduct	2	1	2	Y (1,2)	1
<b>Non Ethics Related Concerns</b>					
Aircraft Noise	12	9	0	n/a	3
ATO Practices and Behavior	8	5	0	n/a	3
TSA Practices and Behavior	7	3	0	n/a	4
<b>Workplace Concerns</b>					
Volunteer Opportunity Emails	17	11	0	n/a	6
United Way	15	8	0	n/a	7
Workplace Practices/Behavior	9	5	0	n/a	4
Workplace Equitability	3	3	0	n/a	0
Promotional Opportunities	2	2	0	n/a	0

(1) Issue investigated; potential violation substantiated; details provided to Management for action.

(2) Issue investigated; no evidence of violation found.

APPENDIX C: Status of OCA Recommendations as of December 31, 2014

Fiscal Year 2015 Second Quarter Report

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of December 31, 2014	OCA's Assessment	Estimated Completion Date
11-10	GROUND TRANSPORTATION DEPARTMENT	Audit Report #11032 dated February 4, 2011, Taxicab Cost Recovery Program	20	Impact: 10 Probability: 10	To ensure the accurate recording of all ground transportation activities at SDIA, the Ground Transportation Department should upgrade or replace the Automated Vehicle Identification (AVI) system. Once the AVI system is updated or replaced, the trip fee payment process should be automated. The AVI system data would be uploaded daily to a website accessible to the taxicab operators to allow them to track and download the trip data per taxicab. Monthly, the Ground Transportation Department would lump sum bill the activity to the taxicab companies. This would eliminate an unnecessary risk of misappropriation of Authority assets and the reliance on LPI employees to properly record and account for the collections.	The AVI system is scheduled for completion in March 2016. Completion has been delayed due to delays in the construction of the new taxi hold lot.	In Progress	March 2016
14-24	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #14017, dated June 3, 2014, Nevada Lease and Rentals, Inc. (Payless)	20	Impact: 10 Probability: 10	Business and Financial Management should inform Payless that they are required to remit all monies collected in the form of CFCs. Additionally, Payless should immediately recalculate the CFCs collected from January 1, 2014, thru present, and remit any monies previously excluded, in total, to the Authority.	Business Management has completed discussions with Payless regarding settling existing Audit findings within the subject audit period and has received payment. Furthermore, Business Management has negotiated a letter of agreement for Payless to self-audit annually via an outside CPA Audit firm to ensure internal accounting controls are followed through its normal course of business. Payless must submit the Audit and findings annually to the Authority.	Completed	N/A

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of December 31, 2014	OCA's Assessment	Estimated Completion Date
14-25	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #14017, dated June 3, 2014, Nevada Lease and Rentals, Inc. (Payless)	20	Impact: 10 Probability: 10	Business and Financial Management should request Accounting generate an invoice to Payless in the amount of \$297,814.	Business Management has negotiated a letter of agreement for Payless to self-audit annually via an outside CPA Audit firm to ensure internal accounting controls are followed through its normal course of business. Payless must submit the Audit and findings annually to the Authority. As part of the negotiation Business Management collected \$220,000; an amount that is consistent with peer company's Audited findings operating within the San Diego marketplace.	Completed	N/A
14-20	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #14017, dated June 3, 2014, Nevada Lease and Rentals, Inc. (Payless)	19	Impact: 9 Probability: 10	Due to the lack of cooperation, the inaccuracies of the financial data provided, and the inability to provide all requested supporting paperwork, we recommend that Management take appropriate measures to ensure that Payless immediately complies with all terms of the License Agreement.	Business Management has negotiated a letter of agreement for Payless to self-audit annually via an outside CPA Audit firm to ensure internal accounting controls are followed through its normal course of business. Payless must submit the Audit and findings annually to the Authority. As part of the negotiation Business Management collected \$220,000; an amount that is consistent with peer company's Audited findings operating within the San Diego marketplace.	Completed	N/A

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

APPENDIX C: Status of OCA Recommendations as of December 31, 2014

Fiscal Year 2015 Second Quarter Report

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of December 31, 2014	OCA's Assessment	Estimated Completion Date
14-21	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #14017, dated June 3, 2014, Nevada Lease and Rentals, Inc. (Payless)	18	Impact: 9 Probability: 9	Business and Financial Management should inform Payless that they must immediately implement a financial reporting system to accurately segregate revenues collected and to properly calculate gross revenue and concession fees due.	Business Management has negotiated a letter of agreement for Payless to self-audit annually via an outside CPA Audit firm to ensure internal accounting controls are followed through its normal course of business. Payless must submit the Audit and findings annually to the Authority. As part of the negotiation Business Management collected \$220,000; an amount that is consistent with peer company's Audited findings operating within the San Diego marketplace.	Completed	N/A
14-22	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #14017, dated June 3, 2014, Nevada Lease and Rentals, Inc. (Payless)	18	Impact: 9 Probability: 9	Business and Financial Management should inform Payless that they must ensure only rental agreements that fully meet the Non-Airport criteria of the Agreement are excluded from gross revenue.	Business Management has negotiated a letter of agreement for Payless to self-audit annually via an outside CPA Audit firm to ensure internal accounting controls are followed through its normal course of business. Payless must submit the Audit and findings annually to the Authority. As part of the negotiation Business Management collected \$220,000; an amount that is consistent with peer company's Audited findings operating within the San Diego marketplace.	Completed	N/A

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of December 31, 2014	OCA's Assessment	Estimated Completion Date
15-08	AIRPORT DESIGN AND CONSTRUCTION DEPARTMENT	Audit Report #15013, dated November 26, 2014, Demattiel Wong Architecture, Inc.	17	<b>Impact: 9 Probability: 8</b>	The Development Division needs to take steps to ensure that properly developed and comprehensive agreements are used for all future project specific professional design service procurements.	No update.	In Progress	N/A
15-07	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #15017, dated November 26, 2014, Avis Rent A Car Systems, LLC	16	<b>Impact: 8 Probability: 8</b>	Business and Financial Management Department (BFM) should request that the Accounting Department issue an invoice to Avis in the amount of \$133,955 for the underpayment of license fees.	Avis was invoiced \$133,955 per the Audit finding.	Completed	N/A
14-36	GROUND TRANSPORTATION DEPARTMENT	Audit Report #14011, dated June 10, 2014, Ace Parking Management, Inc.	15	<b>Impact: 8 Probability: 7</b>	The Ground Transportation Department should develop a process to verify shuttle hours charged through a comparison of personnel time sheets and shuttle operational hours to in-service reports. In addition, Ground Transportation should improve procedures to conduct a more thorough analysis of the hours charged to identify potential deviations and shuttle usage by parking lot.	Ground Transportation developed a process to verify the shuttle hours and identify potential deviations.	In Progress - The OCA needs to review the process in place prior to closing out this recommendation. The review will be done during the OCA's audit of Ace Parking this Fiscal Year.	3rd Quarter FY15
14-11	FACILITIES DEVELOPMENT DEPARTMENT	Audit Report #14010, dated November 22, 2013, Abadjis Systems, Ltd.	13	<b>Impact: 7 Probability: 6</b>	We recommend that Management consider amending Authority Policy to limit the amount of continuous time an individual contractor may work at the Authority. The limit could be by time, contract, and/or project. The limit could provide an opportunity to evaluate whether the contractor's services are required on a temporary or permanent basis.	The OCA revisited this recommendation and determined that it was no longer needed.	Completed	N/A

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of December 31, 2014	OCA's Assessment	Estimated Completion Date
14-23	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #14017, dated June 3, 2014, Nevada Lease and Rentals, Inc. (Payless)	13	Impact: 7 Probability: 6	Business and Financial Management should inform Payless that they must immediately update their rental agreement template to include the proper language regarding "non-Airport" customers.	Business Management has negotiated a letter of agreement for Payless to self-audit annually via an outside CPA Audit firm to ensure internal accounting controls are followed through its normal course of business. Payless must submit the Audit and findings annually to the Authority. As part of the negotiation Business Management collected \$220,000; an amount that is consistent with peer company's Audited findings operating within the San Diego marketplace.	Completed	N/A
15-01	FACILITIES MAINTENANCE DEPARTMENT	Audit Report #14005, dated July 18, 2014, Timekeeping Payroll Processing	13	Impact: 7 Probability: 6	We recommend that Facilities Maintenance Department (FMD) strengthen internal controls within their current Timekeeping system. As the Computer Maintenance Management System (CMMS) is implemented, FMD should seek to include increased automation where possible as well as capture actual time worked on specific work orders, which can then be used to build a knowledge base for assigning expected completion times to work orders and more accurate work scheduling.	Since the last update we have had a change in vendor to assist us in the CMMS activation. Through IT research it was discovered that E1 had incorporated new programs to support a CMMS data base. After reviewing the E1 criteria it was decided to cancel the identified program (Asset Works) and use the Authorities own E1 system. This is a very recent change which will push us to a date later in the year for implementation. However please note after the audit was performed, FMD strengthened their tracking procedures as it pertains to actual time worked on specific work orders.	In Progress	Unknown

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of December 31, 2014	OCA's Assessment	Estimated Completion Date
15-03	TALENT, CULTURE AND CAPABILITY DEPARTMENT	Audit Report #14005, dated July 18, 2014, Timekeeping Payroll Processing	11	Impact: 6 Probability: 5	We recommend that Authority Management work to develop a consistent process for employees to obtain and document prior approval of overtime before such hours are incurred or paid.	No update was received from the Department.	In Progress	Unknown
15-05	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #15021, dated November 10, 2014, EZ Rent A Car, Inc.	11	Impact: 6 Probability: 5	The Business and Financial Management Department should request that the Accounting Department issue a refund to EZ for \$40,961, the net of over and under payments of CFCs for the audit period. Additionally, EZ should be notified in writing that they are obligated to return to their customers the CFCs collected in excess of the amount permitted by law, and the Business and Financial Management Department should follow-up with EZ to confirm the return of over-collected funds.	An amended calculation was completed and a revised transmittal and refund to EZ Rent A Car for \$42,144 has been processed.	Completed	N/A
15-09	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #15019, dated December 3, 2014, Fox Rent A Car, Inc.	11	Impact: 6 Probability: 5	The Business and Financial Management department (BFM) should request that the Accounting Department issue an invoice to Fox in the amount of \$12,775 for the underpayment of license fees.	FOX was invoiced \$12,775 per the Audit finding.	Completed	N/A
15-02	TALENT, CULTURE AND CAPABILITY DEPARTMENT	Audit Report #14005, dated July 18, 2014, Timekeeping Payroll Processing	10	Impact: 5 Probability: 5	We recommend that all Authority departments with hourly staff develop written timekeeping procedures that have controls for the recording and reviewing of time to ensure accuracy. Those procedures should be reviewed with all current hourly staff and used as training resources for any new hourly staff.	No update was received from the Department.	In Progress	Unknown

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.

Rec. No.	Department Name	Audit Report Description	Risk Score	Risk	Recommendation	Status as of December 31, 2014	OCA's Assessment	Estimated Completion Date
15-06	BUSINESS AND FINANCIAL MANAGEMENT DEPARTMENT	Audit Report #15021, dated November 10, 2014, EZ Rent A Car, Inc.	8	Impact: 4 Probability: 4	The Business and Financial Management Department should request that the Accounting Department generate an invoice to EZ in the amount of \$741 for the underpayment of license fees during the audit period.	EZ Rent A Car, Inc. was invoiced \$741 per the Audit finding.	Completed	N/A

NOTE: Risk Score is based upon the combined scores of Impact and Probability. Both Impact and Probability are ranked on a scale of 1-10, with maximum possible scores (highest risk) of 10, and a maximum possible combined score of 20.



# Quarterly Audit Activities Report

October 1, 2014 through December 31, 2014

Fiscal Year 2015 Second Quarter,  
and Report on Audit Recommendations  
Issued by the Office of the Chief Auditor

# Presentation Overview

## 2nd Quarter Report

- Audit Activities
- Recommendation Follow-up
- Performance Measures
- Summary of Ethics Inquiries

# Audit Activities

- **Completed 6 Audits**
  - Expenditure Contract: 1
  - Revenue Contract: 5
- **Eleven (11) audits were in progress as of December 31, 2014**
- **Audit Results**
  - Issued 5 Recommendations during the 2nd Quarter

# Audits in Progress as of December 31, 2014

Audit	Type of Audit	Status as of February 9, 2015
Airport Noise Management	Internal	Report Issued
Aircraft Rescue & Fire Fighting (ARFF) Expense Billings – FY14	Expense	Fieldwork
Aztec Landscaping	Expense	Draft Report
Cloud Management and Performance	Internal	Fieldwork
Concessionaire Management and Performance	Internal	Report Issued
Enterprise Rent A Car Company	Revenue	Draft Report
Hudson Group, Concourse Ventures, Inc.	Revenue	Fieldwork
JCDecaux Airport, Inc.	Revenue	Report Issued
Merriwether Williams Insurance Services	Expense	Draft Report
Network Security Electronics, Inc.	Expense	Report Issued
The Hertz Corporation	Revenue	Draft Report

# Recommendation Follow-Up

Status as of December 31<sup>st</sup> :

Tracked	Completed	In Progress	Open	Not Accepted
17	11	6	0	0

# Fiscal Year 2015 Measure Outcomes

Performance Measure	Goal	Progress
Percentage of the audit plan completed annually	100%	36%
Percentage of the audit plan completed during 2 <sup>nd</sup> Quarter	51%	36%
Additional revenue/cost savings identified through audits	n/a	\$113,494
Percentage of staff time spent on audit activities	80%	89%
Percentage of audits completed within budgeted time	80%	83%
Implementation of Recommendations	90%	80%

# Summary of Ethics Inquiries

October 1, 2014, through December 31, 2014

	Number of Reports Received	Number Received Anonymously	Details Support Potential Code Violation (Ethics or Workplace)	Investigation of Concern	Response (email or phone to non-anonymous reports)
<b>Code of Ethics Concerns</b>					
Potential Misuse of Public Funds					
<i>Construction/Car Rental</i>	11	9	0	n/a	2
<i>Advertising</i>	7	7	0	n/a	0
Potential Misuse of Resources					
<i>Departmental Holiday Parties</i>	13	8	0	n/a	5
<i>All Employee Holiday Party</i>	3	2	0	n/a	1
Employee Misconduct	2	1	2	Y (1,2)	1
<b>Non Ethics Related Concerns</b>					
Aircraft Noise	12	9	0	n/a	3
ATO Practices and Behavior	8	5	0	n/a	3
TSA Practices and Behavior	7	3	0	n/a	4
<b>Workplace Concerns</b>					
Volunteer Opportunity Emails	17	11	0	n/a	6
United Way	15	8	0	n/a	7
Workplace Practices/Behavior	9	5	0	n/a	4
Workplace Equitability	3	3	0	n/a	0
Promotional Opportunities	2	2	0	n/a	0

(1) Issue investigated; potential violation substantiated; details provided to Management for action.

(2) Issue investigated; no evidence of violation found.

# QUESTIONS?



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
10**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Revision to the Fiscal Year 2015 Audit Plan of the Office of the Chief Auditor**

**Recommendation:**

The Audit Committee recommends that the Board accept the information.

**Background/Justification:**

The Office of the Chief Auditor's (OCA) Annual Audit Plan for Fiscal Year 2015 was approved by the Audit Committee during its May 12, 2014, meeting.

Pursuant to Section 4 and Section 5 of the Charter of the Office of the Chief Auditor, amendments for unplanned and special request audits may be performed after review and consultation with the Audit Committee.

The Fiscal Year 2015 Audit Plan requires a revision due to circumstances identifying the deletion of the following project or vendor, as detailed below:

One Business Process Audit included in the Fiscal Year 2015 Audit Plan is "Consortium Agreement Compliance" (Attachment A). After discussions with Angela Shafer-Payne, Vice President, Operations, the OCA is requesting that this audit be taken off the schedule. The Authority is in the last stages of entering into a new consortium agreement between the airlines for gate-related services, and all parties agree that it is better to wait for a period of time for this new agreement to mature.

At this time, the Office of the Chief Auditor will place the hours assigned to the Consortium Agreement Compliance audit into the category "Special Request Audits", so the hours can be used on an audit area/entity later in this fiscal year.

On February 9, 2015, the Audit Committee unanimously voted to forward the revision to the Board for information.

**Fiscal Impact:**

None

000061

**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:**

MARK A. BURCHYETT  
CHIEF AUDITOR

**San Diego County Regional Airport Authority  
OFFICE OF THE CHIEF AUDITOR  
FY 2015 Audit Plan  
Proposed Revision February 9, 2015**

**BUSINESS PROCESS AUDITS**

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- 1 Concessionaire Management and Performance
- 2 Cloud Management and Performance
- 3 Airport Noise Management
- 4 Business and Travel Expenses
- 5 Public Records Management
- 6 Consortium Agreement Compliance

**EXPENSE CONTRACT AUDITS**

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- 7 Cartwright Termite & Pest Control
- 8 Network Security Electronics, Inc.
- 9 Ninyo & Moore Geotechnical Consultants
- 10 PCL Construction Services, Inc.
- 11 Aztec Landscaping
- 12 CDW - Government
- 13 Demattei Wong Architecture, Inc.
- 14 Granite Construction Company
- 15 Hatch Mott MacDonald, LLC
- 16 Serco Management Services, Inc.

**REVENUE CONTRACT AUDITS**

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- 17 Avis Rent A Car Systems LLC
- 18 Enterprise Rent A Car Company (Enterprise, Alamo, National)
- 19 Fox Rent A Car
- 20 The Hertz Corporation
- 21 EZ Rent A Car
- 22 Ace Parking
- 23 Airline & Others (Ogden Aviation)
- 24 JCDecaux, Inc.
- 25 Aircraft Services International Inc.
- 26 Gate Gourmet Inc.
- 27 High Flying Foods San Diego (FSP 7)
- 28 Paradies - San Diego LLC (RP1)
- 29 Hudson Group, Concourse Ventures Inc., Epicure and Martinez (RP 7)
- 30 Pacific Gateway Concessions and Procurement Concepts SD (RP 3)
- 31 SSP America Inc. (FSP 5)
- 32 Mission Yogurt Inc. (FSP 4)
- 33 Stellar Partners Inc. (RP 4)

**ANNUAL ONGOING AUDITS AND SUPPORT**

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- 34 Aircraft Rescue & Fire Fighting (ARFF) Expense Billings
- 35 Board Member Expenditures
- 36 Rental Car Center Fund Review
- 37 Procurement Card Spending
- 38 Audit of Contracts & Expenditures for Agreements <\$100,000
- 39 Emergency Medical Technician & Paramedic Services
- 40 San Diego Unified Port District Billing
- 41 **Special Request Audits**
  - GGTW, LLC, aka South Bay Salt Works
- 42 Ethics Program Activities
- 43 Construction Audit and Monitoring Activity



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
11**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Award a Contract to Ensley Electric, Inc. for Runway 09 Displaced Threshold Relocation at San Diego International Airport**

**Recommendation:**

Adopt Resolution No. 2015-0017, awarding a contract to Ensley Electric, Inc., in the amount of \$1,427,895 for Project No. 104087, Runway 09 Displaced Threshold Relocation at San Diego International Airport, with award conditional upon the Federal Aviation Administration (FAA) agreeing to modification of the indemnity clause in its reimbursement agreement.

**Background/Justification:**

This project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2015-2019 Capital Improvement Program (CIP).

This project includes displacement of the Runway 09 threshold a total of 300-feet to the east in order to facilitate improved aircraft landing approaches (Attachment A). The work requires reconfiguration of associated runway lighting, pavement markings and modification of infrastructure. The project requires close coordination with the FAA.

This contract was advertised on October 30, 2014 and sealed bids were opened on December 1, 2014. The following bids were received: (Attachment B)

<b>Company</b>	<b>Total Bid</b>
Ensley Electric, Inc.	\$1,427,895
Pave Tech, Inc.	\$4,467,500

The Engineer's estimate is \$2,000,000 (Attachment B)

The low bid of \$1,427,895, is responsive, and Ensley Electric, Inc., is considered responsible. Staff recommends award to Ensley Electric, Inc., in the amount of \$1,427,895.

**Fiscal Impact:**

Adequate funds for the contract with Ensley Electric, Inc. are included within the Board approved FY2015-FY2019 Capital Program Budget for Project No. 104087, Runway 09 Displaced Threshold Relocation. Sources of funding for this project include Passenger Facility Charges, Federal Grants 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:**

- A. CEQA: This Board action is for a project that was determined to be a class of project not to have a significant effect on the environment (Section 15301, Existing Facilities – Class 1, Section 15302, Replacement or Reconstruction - Class 2, and Section 15304, Minor Alterations to Land - Class 4 and a categorical exemption was prepared in accordance with the California Environmental Quality Act (CEQA).
- B. California Coastal Act Review: This Board action is for a project that is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 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.

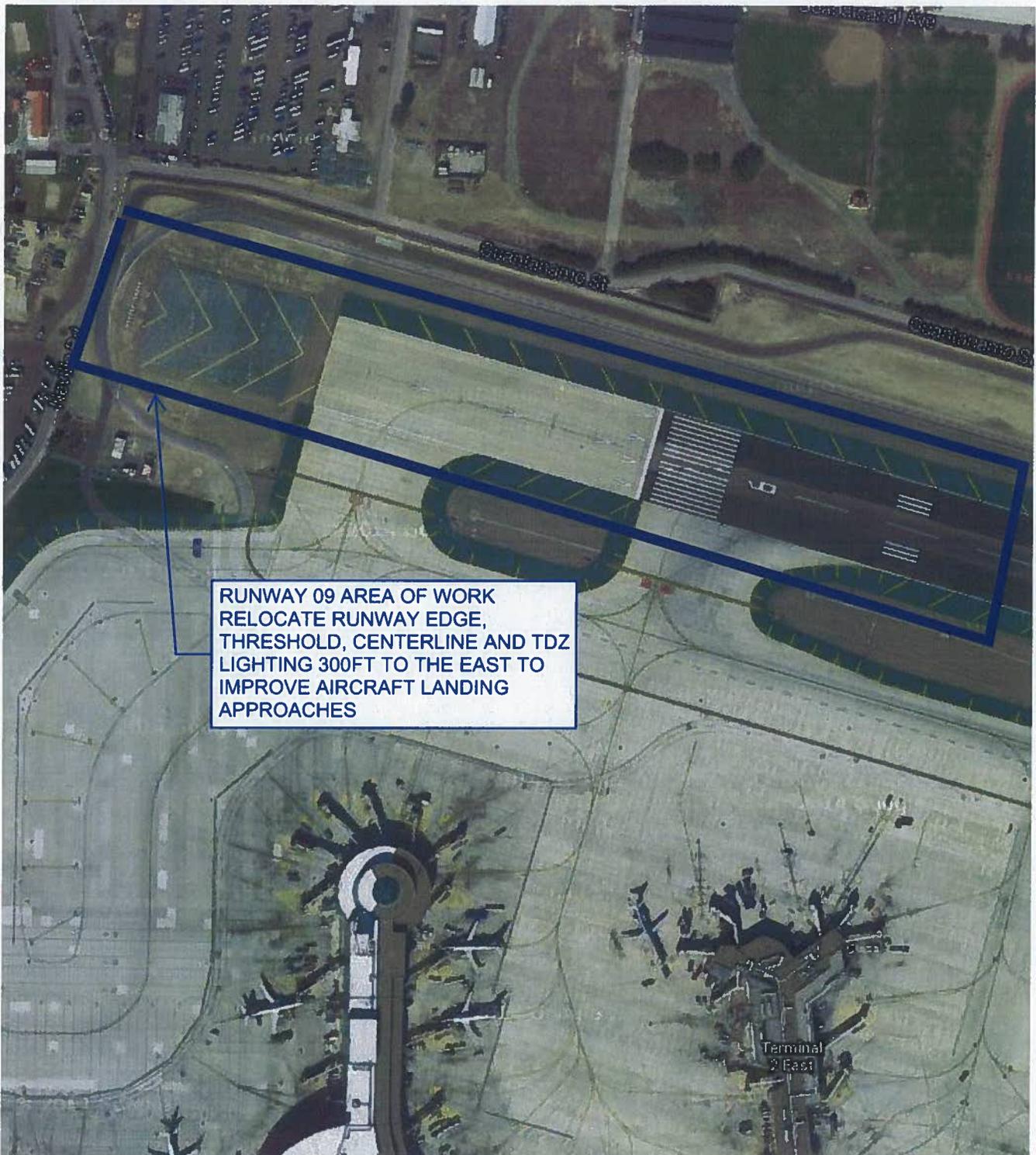
The Authority's DBE Program, as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 26, calls for the Authority to submit a triennial overall goal for DBE participation on all federally funded projects. When federal funds are utilized, the Authority is prohibited 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. Ensley Electric, Inc. proposed 6% DBE participation on the Runway 09 Displaced Threshold Relocation contract.

**Prepared by:**

IRAJ GHAEMI  
DIRECTOR, FACILITIES DEVELOPMENT

# ATTACHMENT A



**CIP 104087 - RUNWAY 09 DISPLACED THRESHOLD RELOCATION**

**BID TABULATION**

CIP 104087 - Runway 09 Displaced Threshold Relocation

AIP No. 3-06-0214-074-2015

BIDS OPENED: December 1, 2014 @ 1:30 PM

ENGINEER'S ESTIMATE: \$2,000,000.00				ENGINEER'S ESTIMATE		1 Ensley Electric, Inc. 993 Melissa Park Terrace El Cajon, CA 92021		2 Pave-Tech Inc. 735 Laguna Drive Carlsbad, CA 92008	
GUARANTEE OF GOOD FAITH:						Hudson Insurance Company		Liberty Mutual Insurance Company	
Bid - Bid Schedule Project Items									
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)
1	Runway 9 Displaced Threshold Relocation (Includes entire Work under this Contract, excluding Bid Item 2 through 47)	LS	LS	LS	\$ 358,312.67	LS	\$ 175,000.00	LS	\$ 1,000,000.00
2	Storm Water Pollution Prevention Preparation and Implementation	LS	LS	LS	\$ 12,768.57	LS	\$ 15,000.00	LS	\$ 10,000.00
3	Concrete Pavement Marking "Micro" Grind Removal	6,300	SF	\$ 0.50	\$ 3,150.00	\$ 0.55	\$ 3,465.00	\$ 2.00	\$ 12,600.00
4	Concrete Pavement Marking Sand Blast Removal	6,300	SF	\$ 2.45	\$ 15,435.00	\$ 0.55	\$ 3,465.00	\$ 3.00	\$ 18,900.00
5	Asphalt Pavement Marking "Micro" Grind Removal	51,400	SF	\$ 0.48	\$ 24,672.00	\$ 0.45	\$ 23,130.00	\$ 2.00	\$ 102,800.00
6	Asphalt Pavement Marking Sand Blast Removal	80,300	SF	\$ 2.45	\$ 196,735.00	\$ 0.45	\$ 36,135.00	\$ 2.00	\$ 160,600.00
7	Rubber Removal	2,000	SY	\$ 2.52	\$ 5,040.00	\$ 3.00	\$ 6,000.00	\$ 6.00	\$ 12,000.00
8	Asphalt Pavement Marking "Micro" Grind Removal Test Area	LS	LS	\$ 5,423.23	\$ 5,423.23	LS	\$ 2,500.00	LS	\$ 5,000.00
9	Asphalt Pavement Marking Sand Blast Removal Test Area	LS	LS	\$ 8,862.61	\$ 8,862.61	LS	\$ 3,000.00	LS	\$ 5,000.00
10	Bituminous Tack Coat Test Area	LS	LS	\$ 796.70	\$ 796.70	LS	\$ 2,000.00	LS	\$ 10,000.00
11	Bituminous Tack Coat	2,300	GAL	\$ 10.43	\$ 23,989.00	\$ 6.00	\$ 13,800.00	\$ 50.00	\$ 115,000.00
12	Pavement Markings	49,500	SF	\$ 2.62	\$ 129,690.00	\$ 0.40	\$ 19,800.00	\$ 1.00	\$ 49,500.00
13	Infield Painting	4,000	SF	\$ 2.62	\$ 10,480.00	\$ 0.30	\$ 1,200.00	\$ 1.00	\$ 4,000.00
14	Temporary Pavement Marking	LS	LS	\$ 4.40	\$ 17,597.00	LS	\$ 10,000.00	LS	\$ 15,000.00
15	Crack Sealing (1/4 inch to 3/4 inch)	5,000	LF	\$ 3.43	\$ 17,150.00	\$ 8.00	\$ 40,000.00	\$ 6.00	\$ 30,000.00

**BID TABULATION**

CIP 104087 - Runway 09 Displaced Threshold Relocation

AIP No. 3-06-0214-074-2015

BIDS OPENED: December 1, 2014 @ 1:30 PM

ENGINEER'S ESTIMATE: \$2,000,000.00				ENGINEER'S ESTIMATE		1 Ensley Electric, Inc. 993 Melissa Park Terrace El Cajon, CA 92021 619-754-6523		2 Pave-Tech Inc. 735 Laguna Drive Carlsbad, CA 92008	
GUARANTEE OF GOOD FAITH:						Hudson Insurance Company		Liberty Mutual Insurance Company	
Bid - Bid Schedule Project Items									
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)
16	Electrical Demolition	LS	LS	\$ 12,651.91	\$ 12,651.91	LS	\$ 20,000.00	LS	\$ 500,000.00
17	ALCS Modification Infrastructure	LS	LS	\$ 5,533.19	\$ 5,533.19	LS	\$ 15,000.00	LS	\$ 20,000.00
18	Photometric Testing and Regulator Testing	LS	LS	\$ 18,354.83	\$ 18,354.83	LS	\$ 15,000.00	LS	\$ 20,000.00
19	L-824, Type C, 1/C #8, 5 kV Cable	35,000	LF	\$ 6.12	\$ 214,200.00	\$ 3.00	\$ 105,000.00	\$ 8.00	\$ 280,000.00
20	Bare, 1/C #6, Counterpoise Cable	700	LF	\$ 6.06	\$ 4,242.00	\$ 3.00	\$ 2,100.00	\$ 4.00	\$ 2,800.00
21	Bare, 1/C #1/0, Guard Wire (FAA)	700	LF	\$ 12.10	\$ 8,470.00	\$ 10.00	\$ 7,000.00	\$ 6.00	\$ 4,200.00
22	Single-way 2" Conduit, P-610 Concrete Encased in Existing Paved Shoulder	600	LF	\$ 68.18	\$ 40,908.00	\$ 40.00	\$ 24,000.00	\$ 15.00	\$ 9,000.00
23	Single-way 1-1/4" Conduit, P-613 Concrete Encased in Existing AC or PCC Pavement	900	LF	\$ 31.97	\$ 28,773.00	\$ 120.00	\$ 108,000.00	\$ 15.00	\$ 13,500.00
24	Single-way 1-1/2" Conduit, Concrete Encased in Existing AC-PCC Pavement (FAA)	280	LF	\$ 33.23	\$ 9,304.40	\$ 120.00	\$ 33,600.00	\$ 15.00	\$ 4,200.00
25	Single-way (1) 4" Conduit, in Existing Paved Shoulder (FAA)	400	LF	\$ 125.19	\$ 50,076.00	\$ 50.00	\$ 20,000.00	\$ 20.00	\$ 8,000.00
26	Multi-way (2) 2" Conduit, in Existing Paved Shoulder (FAA)	200	LF	\$ 111.54	\$ 22,308.00	\$ 50.00	\$ 10,000.00	\$ 35.00	\$ 7,000.00
27	Handhole, Type I	2	EA	\$ 8,821.95	\$ 17,643.90	\$ 7,000.00	\$ 14,000.00	\$ 12,000.00	\$ 24,000.00
28	Relocate L-850B, In-Pavement Runway TDZ Light with New Isolation Transformer	12	EA	\$ 1,124.05	\$ 13,488.60	\$ 300.00	\$ 3,600.00	\$ 2,000.00	\$ 24,000.00
29	New L-850C, In-Pavement Runway Edge Light with Isolation Transformer	1	EA	\$ 2,236.85	\$ 2,236.85	\$ 2,000.00	\$ 2,000.00	\$ 3,000.00	\$ 3,000.00
30	New L-850D, In-Pavement Runway Threshold Light with Isolation Transformer	8	EA	\$ 2,236.85	\$ 17,894.80	\$ 2,000.00	\$ 16,000.00	\$ 4,000.00	\$ 32,000.00

**BID TABULATION**

CIP 104087 - Runway 09 Displaced Threshold Relocation

AIP No. 3-06-0214-074-2015

BIDS OPENED: December 1, 2014 @ 1:30 PM

ENGINEER'S ESTIMATE: \$2,000,000.00				ENGINEER'S ESTIMATE		1 Ensley Electric, Inc. 993 Melissa Park Terrace El Cajon, CA 92021		2 Pave-Tech Inc. 735 Laguna Drive Carlsbad, CA 92008	
GUARANTEE OF GOOD FAITH:						Hudson Insurance Company		Liberty Mutual Insurance Company	
Bid - Bid Schedule Project Items									
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)
31	Install Owner Furnished L-850A, In-Pavement Runway Centerline Light with Two (2) New Contractor Furnished Isolation Transformers	54	EA	\$ 1,136.85	\$ 61,389.90	\$ 400.00	\$ 21,600.00	\$ 2,500.00	\$ 135,000.00
32	New L-862, Elevated Runway Edge Light with Isolation Transformer	2	EA	\$ 2,086.20	\$ 4,172.40	\$ 600.00	\$ 1,200.00	\$ 2,700.00	\$ 5,400.00
33	Change Optic Colors- L-862, Elevated Runway Edge Light	1	EA	\$ 416.38	\$ 416.38	\$ 200.00	\$ 200.00	\$ 1,000.00	\$ 1,000.00

**BID TABULATION**

CIP 104087 - Runway 09 Displaced Threshold Relocation

AIP No. 3-06-0214-074-2015

BIDS OPENED: December 1, 2014 @ 1:30 PM

ENGINEER'S ESTIMATE: \$2,000,000.00				ENGINEER'S ESTIMATE		1 Ensley Electric, Inc. 993 Melissa Park Terrace El Cajon, CA 92021		2 Pave-Tech Inc. 735 Laguna Drive Carlsbad, CA 92008	
GUARANTEE OF GOOD FAITH:						Hudson Insurance Company		Liberty Mutual Insurance Company	
Bid - Bid Schedule Project Items									
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)
34	Runway 9 Threshold - North Side	LS	LS	LS	\$ 23,097.83	LS	\$ 40,000.00	LS	\$ 20,000.00
35	Runway 9 Threshold - South Side	LS	LS	LS	\$ 22,541.89	LS	\$ 40,000.00	LS	\$ 21,000.00
36	Rwy 9 MALS Threshold	LS	LS	LS	\$ 128,353.23	LS	\$ 240,000.00	LS	\$ 50,000.00
37	Rwy 9 MALS Station 2+00	LS	LS	LS	\$ 31,549.29	LS	\$ 45,000.00	LS	\$ 20,000.00
38	Rwy 9 MALS Station 4+00	LS	LS	LS	\$ 31,826.66	LS	\$ 45,000.00	LS	\$ 20,000.00
39	Rwy 9 MALS Station 10+00	LS	LS	LS	\$ 76,476.84	LS	\$ 80,000.00	LS	\$ 40,000.00
40	Size "B" L-868 Light Base Can for TDZ In-pavement Fixture -- "Core in Asphalt/PCCP Pavement Installation"	12	EA	\$ 4,289.44	\$ 51,473.28	\$ 6,000.00	\$ 72,000.00	\$ 20,000.00	\$ 240,000.00
41	Size "B" L-867 Light Base Cover	6	EA	\$ 192.45	\$ 1,154.70	\$ 150.00	\$ 900.00	\$ 1,500.00	\$ 9,000.00
42	Size "B" L-868 Light Base Cover	18	EA	\$ 192.45	\$ 3,464.10	\$ 150.00	\$ 2,700.00	\$ 2,000.00	\$ 36,000.00
43	Size "B" L-868 Light Base Cover (FAA)	42	EA	\$ 192.45	\$ 8,082.90	\$ 150.00	\$ 6,300.00	\$ 2,000.00	\$ 84,000.00
44	Contractor's Overhead	206	Days	\$ 1,128.20	\$ 232,409.20	\$ 200.00	\$ 41,200.00	\$ 6,000.00	\$ 1,236,000.00
45	Contractor's Progress Schedule	6	Months	1000	\$ 6,000.00	\$ 1,000.00	\$ 6,000.00	\$ 2,000.00	\$ 12,000.00
46	Allowance for Airfield Lighting Control System (ALCS) Modifications	LS	LS	LS	\$ 11,000.00	LS	\$ 11,000.00	LS	\$ 11,000.00
47	Allowance for Relocation or Avoidance of Underground Utilities and Obstructions	LS	LS	LS	\$ 25,000.00	LS	\$ 25,000.00	LS	\$ 25,000.00
<b>Total Bid Schedule:</b>				<b>\$ 2,014,595.86</b>		<b>\$ 1,427,895.00</b>		<b>\$ 4,467,500.00</b>	
<b>ADDENDUM NO.</b>	<b>NOTED BY BIDDERS ON THEIR SUBMITTED BID SCHEDULE:</b>								
1						Yes		Yes	

RESOLUTION NO. 2015-0017

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AWARDED A CONTRACT TO ENSLEY ELECTRIC, INC. IN THE AMOUNT OF \$1,427,895, FOR PROJECT NO. 104087, RUNWAY 09 DISPLACED THRESHOLD RELOCATION AT SAN DIEGO INTERNATIONAL AIRPORT, WITH AWARD CONDITIONAL UPON THE FEDERAL AVIATION ADMINISTRATION (FAA) AGREEING TO MODIFICATION OF THE INDEMNITY CLAUSE IN ITS REIMBURSEMENT AGREEMENT

WHEREAS, this project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2015-2019 Capital Improvement Program (CIP); and

WHEREAS, this project includes displacement of the Runway 09 threshold a total of 300-feet to the east in order to facilitate improved aircraft landing approaches; and

WHEREAS, the work requires reconfiguration of associated runway lighting, pavement markings and modification of infrastructure; and

WHEREAS, the project requires close coordination with the Federal Aviation Administration (FAA); and

WHEREAS, this contract was advertised on October 30, 2014; and

WHEREAS, on December 1, 2014, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the low bidder, Ensley Electric, Inc., submitted a bid in the amount of \$1,427,895; and

WHEREAS, Authority staff has duly considered Ensley Electric, Inc.'s bid, and has determined Ensley Electric, Inc. is responsible, and that its bid is responsive in all respects; and

WHEREAS, the award is conditional upon the FAA agreeing to modification of the indemnity clause in its reimbursement agreement; 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 Ensley Electric, Inc. the contract for Project No. 104087 Runway 09 Displaced Threshold Relocation, upon the terms and conditions set forth on the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Ensley Electric, Inc., in the amount of \$1,427,895 for Project No. 104087, Runway 09 Displaced Threshold Relocation at San Diego International Airport, with award conditional upon the Federal Aviation Administration (FAA) agreeing to modification of the indemnity clause in its reimbursement agreement; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to Ensley Electric, Inc.; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employees, 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 of the San Diego County Regional Airport Authority finds that this Board action is for a project determined not to have a significant effect on the environment (Section 15301, Existing Facilities – Class 1, Section 15302, Replacement or Reconstruction - Class 2, and Section 15304, Minor Alterations to Land - Class 4) and a categorical exemption was prepared in accordance with the California Environmental Quality Act; 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 19<sup>th</sup> day of February, 2015, by the following vote:

**AYES:** Board Members:

**NOES:** Board Members:

**ABSENT:** Board Members:

**ATTEST:**

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

**APPROVED AS TO FORM:**

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**BRETON K. LOBNER**  
**GENERAL COUNSEL**



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
12**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Approve and Authorize the President/CEO to Execute an Agreement with MJE Marketing Services, Inc. to Provide On-Call Strategic Marketing, Advertising and Creative Services at San Diego International Airport**

**Recommendation:**

Adopt Resolution No. 2015-0018, approving and authorizing the President/CEO to execute an agreement with MJE Marketing Services, Inc. for an initial three-year term, with two (2) one-year options exercisable at the sole discretion of the President/CEO, in an amount not to exceed \$1,800,000, to provide on-call strategic marketing, advertising and creative services.

**Background/Justification:**

On July 7, 2011, the Board approved a marketing services contract with Greenhaus, Inc., who developed and executed strategic marketing campaigns and media buying on behalf of the Airport Authority. The contract is set to expire on February 28, 2015.

On October 31, 2014, in accordance with Authority Policy 5.01(1)(c), the Authority issued a competitive Request for Proposals (RFP), soliciting proposals from qualified marketing firms with experience in marketing strategy, media planning and buying, and the development and delivery of retail/promotional campaigns that lead to increased revenues. A total of 62 firms viewed the opportunity.

On December 2, 2014, the Authority received 13 proposals, five of which were shortlisted after an interview panel conducted a thorough review of the proposals. The five highest-ranking firms were invited to interview on January 26, 2015, and included:

1. Jacob Tyler Creative Group
2. MiresBall Brand Design
3. MJE Marketing Services, Inc.
4. Nostrum, Inc.
5. Plume 21

000065

Page 2 of 3

The shortlist panel, designed to provide expert and relevant input on the selection, was comprised of internal and external stakeholders, including the Authority’s Director, Vision, Voice & Engagement; Vice President/CFO; together with former Authority VP of Marketing and Communications; San Diego Tourism Authority President and CEO; Executive Director of Marketing and Communications, UC San Diego Health Services; and one non-voting member (Senior Manager, Vision, Voice & Engagement).

The interview panel was altered due to a last-minute scheduling conflict with the Executive Director of Marketing and Communications, UC San Diego Health Services, and the Authority’s Senior Manager, Vision, Voice & Engagement participated in her stead. The interview panel interviewed all five firms, scoring on a carefully crafted set of criteria, including: Work Plan, Primary Staff, and Organization Experience & Skill. Procurement provided scoring for both Cost/Fees and Small Business Preference.

The panel’s final rankings and combined scores are presented below:

**Final Rank**

Firms	Panelist 1	Panelist 2	Panelist 3	Panelist 4	Panelist 5	Total	Final Rank
MJE	2	1	1	1	1	6	1
Nostrum	4	5	5	4	5	23	5
MiresBall	1	2	2	2	4	11	2
Jacob Tyler	3	3	4	4	2	16	3
Plume	5	4	3	3	3	18	4

**Final Combined Score**

Firms	SB Preference	Cost / Fees	Work Plan	Primary Staff	Organization Experience & Skill	Total
MJE	250	750	1260	1760	720	4740
Nostrum	250	600	840	1000	405	3095
MiresBall	0	675	1020	1600	690	3985
Jacob Tyler	250	675	930	1160	510	3525
Plume	250	600	870	1280	510	3510

Based on the ranking scores above, the panel made the determination that MJE Marketing Services, Inc. (MJE) is the best qualified to develop and execute the Airport Authority’s strategic marketing initiatives. Key deciding factors were MJE’s well-rounded experience and primary staff, its respective body of work, and its vision for promoting airport products and services.

Therefore, staff recommends that the Board approve and authorize the President/CEO to execute an agreement with MJE Marketing Services, Inc. to provide on-call strategic marketing, advertising and creative services for three (3) years, with two (2) one-year options exercised at the sole discretion of the President/CEO, in an amount not to exceed \$1,800,000 over five years.

**Fiscal Impact:**

Adequate funding for the marketing service contract is included in the adopted FY 2015 and conceptually approved FY 2016 Operating Expenses Budgets within the contractual services line item. Expenses that will impact budget years that have not been adopted /approved by the Board will be included in future year 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:**

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 \$100,000. 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 MJE Marketing Services received 5% small business preference.

**Prepared by:**

DIANA LUCERO  
DIRECTOR, VISION, VOICE & ENGAGEMENT

000067

RESOLUTION NO. 2015-0018

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH MJE MARKETING SERVICES, INC. FOR AN INITIAL THREE-YEAR TERM, WITH TWO (2) ONE-YEAR OPTIONS EXERCISABLE AT THE SOLE DISCRETION OF THE PRESIDENT/CEO, IN AN AMOUNT NOT TO EXCEED \$1,800,000, TO PROVIDE ON-CALL STRATEGIC MARKETING, ADVERTISING AND CREATIVE SERVICES

WHEREAS, the San Diego County Regional Airport Authority issued a Request for Proposals (RFP) for on-call marketing, advertising and creative services in support of the San Diego County Regional Airport Authority's and San Diego International Airport's marketing initiatives; and

WHEREAS, notice of the business opportunity was posted in both print and electronic media, in the San Diego Daily Transcript and on the Authority web site; and

WHEREAS, proposals were received from AdEase, CAMS, CXC, Greenhaus, Inc., Vivid/ Jacob Tyler, KHB, MiresBall Brand Design, MJE Marketing Services, Nostrum, Plume 21, Red Door, The Idea Brand, and Traina by the deadline established for proposals; and

WHEREAS, the evaluation panel rated the 13 firms and found that Vivid/Jacob Tyler, MJE Marketing Services, MiresBall Brand Design, Nostrum, and Plume 21 submitted the highest-ranking proposals and were recommended for interviews; and

WHEREAS, on January 26, 2015, an evaluation panel heard presentations by and conducted interviews with the five highest-ranking firms; and

WHEREAS, the five firms were rated on company experience and skill, primary staff, work plan, fees, interview and whether or not the firms qualified for small business preference, and upon conclusion of the five interviews, the evaluation panel recommended MJE Marketing Services, Inc. as the first-ranked team for negotiations and, if successful, award of the agreement.

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NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an agreement with MJE Marketing Services, Inc. for an initial three-year term, with two (2) one-year options exercisable at the sole discretion of the President/CEO, in an amount not to exceed \$1,800,000, to provide on-call strategic marketing, advertising and creative services; 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 19<sup>th</sup> day of February, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
13**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Approve and Authorize the President/CEO to Execute a Third Amendment to Increase the Duration of the Turner/PCL/Flatiron – A Joint Venture Agreement for the Terminal Development Program Contract 1: Terminal 2 West Building and Airside Expansion:**

**Recommendation:**

Adopt Resolution No. 2015-0019, approving and authorizing the President/CEO to execute a Third Amendment to the agreement with Turner/PCL/Flatiron – A Joint Venture, increasing the agreement time by 253 days, for a total of 1673 days, for the Terminal Development Program Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport (SDIA) to reroof Terminal 2 Existing.

**Background/Justification:**

On April 2, 2009, the San Diego County Regional Airport Authority ("Authority") Board authorized the President/CEO to award and execute a Design-Build agreement for work under the Terminal Development Program (The Green Build) with Turner/PCL/Flatiron – A Joint Venture ("Contractor") for Terminal Development Program ("TDP") Contract 1: Terminal 2 West Building and Airside Expansion [Resolution No. 2009-0049] to build the Terminal 2 West Expansion, expand the airside apron and build ancillary support facilities at SDIA. A Notice to Proceed with the Terminal 2 West Expansion was issued to the Contractor on June 30, 2011, with a contract time of 946 days and a completion date of January 31, 2014.

On November 7, 2013, the Board authorized the President/CEO to increase the contract time from 946 days to 1247 days for TDP Contract 1: Terminal 2 West Building and Airside Expansion. This resulted in a completion date of November 29, 2014.

On June 5, 2014, the Board authorized the President/CEO to increase the contract time from 1247 days to 1420 days for TDP Contract 1: Terminal 2 West Building and Airside Expansion. This resulted in a completion date of May 21, 2015.

The Authority has entered into a solar power purchase agreement ("PPA") and site lease with Lindberg Field Solar 1, LLC ("LFS1") to purchase the electricity generated by a solar photovoltaic generating facility located, in part, on the roof of Terminal 2 West ("T2W"). The PPA also mandates that the roof-mounted portion of the solar facility be of a ballasted type that does not penetrate the roof of T2W. The roof on the older portion of

000070

T2W is manufactured by Johns Manville and was installed in 1998 as part of the original construction of T2W. The roof on the T2W Expansion was manufactured by Sika and was installed in 2013 as part of The Green Build. The roof of the T2W Expansion was specifically designed and constructed to accommodate a ballasted solar generating system. After reviewing the proposed solar facility on the older portion of T2W with LFS1 personnel and with Johns Manville ("JM"), JM representatives have indicated that the older roof is not designed to support equipment that is ballasted rather than secured to the building structure and that ballasted equipment may move and damage the roof. JM has indicated that they will not be able to provide a warranty for the old roof if a ballasted solar generating system is installed on that roof.

As the roof is near the end of useful life, and, in order to accommodate a solar generating system on the roof of the older portion of T2W, the Authority anticipates issuing a Change Order to the Contractor increasing the contract duration by 253 days. Work will include reroofing the older portion of T2W with a high efficiency reflective roof similar to the roof installed as part of the T2W Expansion. The new roof would be installed on top of the existing roof in order to simplify installation and minimize impacts to terminal operations. Work will be completed in phases with the first phase being installed over the main baggage claim and east concourse areas and the second phase being installed over the remainder of the existing roof. The Contractor will bid the reroofing work to qualified roofing subcontractors and expects procurement to be completed in March, 2015. The first phase of construction is expected to commence in April, 2015, with work completed in July, 2015. The second phase is expected to commence in July, 2015, with work completed by October 31, 2015. An additional 90 days is required for contract close-out, resulting in a new final acceptance date of January 29, 2016 for the Terminal 2 West Building and Airside Expansion.

Pursuant to Authority Policy 5.02 (4)(b)(i), Board approval is required to authorize the President/CEO to execute change orders increasing the contract time for completion beyond 90 days.

This item was presented at the January 22, 2015, Capital Improvement Program Oversight Committee meeting. No vote was taken.

**Fiscal Impact:**

Adequate funds for Terminal 2 West Building and Airside Expansion are included within the Board approved Program Budget for The Green Build in Project No. 201301, TDP Contract 1: Terminal 2 West Building and Airside Expansion. Sources of funding for this project include Airport Revenue Bonds, Commercial Paper, 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:**

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 did not utilize federal funds and at the time of this RFQ, April 2009, Policy 5.14 was not in place. However, Policy 5.12 was in place but only applied to those businesses enrolled in the Bonding and Contract Financing program. No preferences were applied to the award of the prime joint venture contract with Turner/PCL/Flatiron, however, Turner/PCL/Flatiron committed to working with the Airport Authority to maximize participation by small, local, historically underrepresented businesses on the project.

**Prepared by:**

ROBERT BOLTON  
DIRECTOR, AIRPORT DESIGN & CONSTRUCTION

RESOLUTION NO. 2015-0019

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE AGREEMENT WITH TURNER/PCL/FLATIRON – A JOINT VENTURE, INCREASING THE AGREEMENT TIME BY 253 DAYS, FOR A TOTAL OF 1673 DAYS, FOR THE TERMINAL DEVELOPMENT PROGRAM CONTRACT 1: TERMINAL 2 WEST BUILDING AND AIRSIDE EXPANSION, AT SAN DIEGO INTERNATIONAL AIRPORT TO REROOF TERMINAL 2 WEST EXISTING

WHEREAS, on April 2, 2009, the San Diego County Regional Airport Authority (“Authority”) Board authorized the President/CEO to award and execute a Design-Build agreement for work under the Terminal Development Program (The Green Build) with Turner/PCL/Flatiron – A Joint Venture (“Contractor”) for Terminal Development Program (“TDP”) Contract 1: Terminal 2 West Building and Airside Expansion [Resolution No. 2009-0049] to build the Terminal 2 West Expansion, expand the airside apron and build ancillary support facilities at San Diego International Airport (SDIA); and

WHEREAS, a Notice to Proceed with the Terminal 2 West Expansion was issued to the Contractor on June 30, 2011, with a contract time of 946 days and a completion date of January 31, 2014; and

WHEREAS, on November 7, 2013, the Board authorized the President/CEO to increase the contract time from 946 days to 1247 days for TDP Contract 1: Terminal 2 West Building and Airside Expansion, resulting in a completion date of November 29, 2014; and

WHEREAS, on June 5, 2014, the Board authorized the President/CEO to increase the contract time from 1247 days to 1420 days for TDP Contract 1: Terminal 2 West Building and Airside Expansion, resulting in a completion date of May 21, 2015; and

WHEREAS, the Authority has entered into a solar power purchase agreement (“PPA”) and site lease with Lindberg Field Solar 1, LLC (“LFS1”) to purchase the electricity generated by a solar photovoltaic generating facility located, in part, on the roof of Terminal 2 West (“T2W”); and

000073

WHEREAS, the PPA also mandates that the roof-mounted portion of the solar facility be of a ballasted type that does not penetrate the roof of T2W; and

WHEREAS, the roof on the older portion of T2W is manufactured by Johns Manville and was installed in 1998 as part of the original construction of T2W; and

WHEREAS, the roof on the T2W Expansion was manufactured by Sika and was installed in 2013 as part of The Green Build and was specifically designed and constructed to accommodate a ballasted solar generating system; and

WHEREAS, after reviewing the proposed solar facility on the older portion of T2W with LFS1 personnel and with Johns Manville ("JM"), JM representatives have indicated that the older roof is not designed to support equipment that is ballasted rather than secured to the building structure and that ballasted equipment may move and damage the roof; and

WHEREAS, JM has indicated that they will not be able to provide a warranty for the old roof if a ballasted solar generating system is installed on that roof; and

WHEREAS, in order to accommodate a solar generating system on the roof of the older portion of T2W, the Authority anticipates issuing a Change Order to the Contractor increasing the contract duration by 253 days.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute a Third Amendment to the agreement with Turner/PCL/Flatiron – A Joint Venture, increasing the agreement time by 253 days, for a total of 1673 days, for the Terminal Development Program Contract 1: Terminal 2 West Building and Airside Expansion, at San Diego International Airport to Reroof Terminal 2 West Existing; 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 19<sup>th</sup> day of February, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
14**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Approve and Authorize the President/CEO to Execute an On-Call Program Management and Support Services Agreement with AECOM Technical Services, Inc.**

**Recommendation:**

Adopt Resolution No. 2015-0020, approving and authorizing the President/CEO to negotiate and execute an On-Call Program Management and Support Services Agreement with AECOM Technical Services, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$60,000,000, in support of the Capital Improvement and Major Maintenance Programs, at the San Diego International Airport.

**Background/Justification:**

The San Diego County Regional Airport Authority ("Authority") in support of its Capital Improvement Program ("CIP") and Major Maintenance ("MMP") Programs, has been using the services of consultants to perform specialized and extensive architectural and engineering support services under a multi-year On-Call Program Management and Support Services Agreement ("Agreement"). This program management effort has been the primary method of staff augmentation, in support of the Board's approved CIP, since the Authority's inception in January 2003. The proposal Agreement with AECOM Technical Services, Inc., ("AECOM") would replace the three on-call program management agreements, and consolidate the responsibility for program management services into a single firm.

The proposed Agreement allows for immediate access to highly skilled and specialized individuals for performance of specialized architectural and engineering services to support Authority staff. The ability to mobilize and demobilize consultants when needed, based on the CIP/MMP ("Program") demands, is the most cost effective and expedient (time sensitive) approach for implementing the program to maintain flexibility and optimize use of resources for accelerated project delivery.

The Authority staff utilizes a state of the art Program Control System (PCS) that enables staff to manage and monitor the scope, budget, and schedule of the Program closely. The PCS provides for an integrated, fully manpowered loaded schedule which is linked with the scope of work and project budget. This tool helps staff identify the program/project staffing needs and integrate it with the schedule, and provides for

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timely mobilization and demobilization of team members. The PCS also provides multiple reports to the staff and management in support of the Program oversight. The Authority maintains a full time core staff, which provides the base line bench strength and the capability to manage and oversee the Program. The Authority proactively monitors its staffing needs and identifies which full time positions that needs to be filled by the Authority. In 2014, the Authority identified seven additional new full time positions which would be most cost effective if they were hired directly by the Authority. As such, when the positions are filled with Authority's staff, the Program Management staffing needs under the proposed contract will be reduced accordingly. The hiring of new employees for staff positions is in process, and to date three of the seven positions have been filed.

Other considerations that are continuously vetted in the decision making process of staff utilization is the cost benefit of hiring full time Authority staff verses utilizing consultants through program management firms. Hiring full time Authority staff commits the Authority to the long term costs of salary, benefits (i.e. health, etc.), overhead, burden, and retirement benefits. Many of the varied skill sets needed to support the implementation of Program are short term and periodic. These needs do not justify the full time employment of employees by the Authority. The use of the on-call Program Management ("PM/CM") team is the most cost effective approach to meet these short term needs.

The Facilities Development Department (FDD) currently has 39 budgeted Authority staff. The cost of burden typically averages 146% of the salary, and the cost of functional overhead averages 97% of the salary amount. The annual cost of FDD's staff is approximately \$4.8 million per year. At the moment, FDD's staffing for the next three years will cost the Authority \$14.4 million. Currently, FDD is operating at an excellent chargeability ratio of 83% which is directly being charged to the CIP program budget. This will reduce the direct cost to the Authority by \$11.95 million.

The funding for Program Management services is already accounted for in the Board approved CIP budget and almost 100% of projected costs for the PM/CM services will be charged to the CIP budget.

The Board approved FY2015-2019 CIP Program budget amount is \$530 million which does not include the Rental Car Center, The Green Build, and the Quieter Home Program. The proposed PM/CM team will continue consulting services to assist the Authority in managing the current and the new CIP/MMP program, ongoing Quieter Home Program ("QHP"), and any other identified staffing needs including support for the planning and programing of the implementation of the Airport Development Program.

The proposed single Agreement will result in a reduction of administrative costs, staff hours, and streamline the process as compared to the current costs of managing the current three program management agreements.

The table below represents a survey, conducted by the Authority, of six airports with comparable number of operations for the average cost of their PM/CM support services verses the total cost of their CIP/MMP program:

Miami North	Miami South	Seattle	San Francisco	Washington Dulles	Washington National	<b>San Diego</b>
22%	14.40%	10.80%	21.35%	12.82%	12.82%	<b>13%</b>

Based on the above percentages, the average PM/CM cost is 15.70% of the total CIP program cost. San Diego’s use of 13% for its CIP Program budget is within the range of acceptable costs for Program and Construction Management.

On November 20, 2014, a Request for Qualifications (“RFQ”) was issued to obtain Statements of Qualifications (“SOQs”) from qualified firms to provide On-Call Program Management and Support Services to the Authority.

On January 8, 2015, the Authority received six SOQs from prospective consultant firms. An Evaluation Panel (“Panel”) was established which included the following key representatives from the Authority:

- President /CEO
- Vice President, Development
- Vice President, Finance/Treasurer, Business and Financial
- Vice President, Operations
- Director, Facilities Development Department
- Director, Airport Design and Construction Department
- TDP Program Director-Consultant, Airport Design Construction

The Panel conducted a thorough review of the SOQs and determined that three firms were uniquely qualified to perform the requested On-Call Services.

The SOQ Scoring Criteria used to short-list qualified firms considered the Respondent’s Program Manager’s qualifications, project team and prior experience, organizational structure, proposed work plan, inclusionary approach/outreach efforts, and sustainability.

On January 28, 2015, the Panel interviewed and ranked the short-listed firms as follows:

1. AECOM Technical Services, Inc. (AECOM)
2. Faithful & Gould (SANGO Team)
3. Parsons (SAN Aviation Partners)

The Evaluation Criteria used to rank the qualified short-listed firms was based on the same criteria used for the SOQ Scoring.

<b>Firms</b>	<b>Panelist 1</b>	<b>Panelist 2</b>	<b>Panelist 3</b>	<b>Panelist 4</b>	<b>Panelist 5</b>	<b>Panelist 6</b>	<b>Panelist 7</b>	<b>Total</b>	<b>Rank</b>
AECOM	2	1	1	1	1	2	1	9	1
Faithful + Gould	1	2	3	2	3	1	3	15	2
Parsons	3	3	2	3	2	3	2	18	3

<b>Combined Scores</b>	<b>Program Manager</b>	<b>Project Team/Prior Experience</b>	<b>Organizational Structure</b>	<b>Work Plan</b>	<b>Inclusionary Approach/ Outreach</b>	<b>Sustain-ability</b>	<b>Total</b>
AECOM	520	1180	530	2030	750	570	5580
Faithful + Gould	560	1060	490	1820	795	550	5275
Parsons	470	1020	520	1575	690	440	4715

A brief background of these firms is provided below:

**AECOM TECHNICAL SERVICES, INC. ("AECOM")**

AECOM Technical Services, Inc. ("AECOM") is an organized publicly owned corporation, headquartered in Los Angeles, California. AECOM has more than 400 offices across the United States including five in San Diego and an additional 25 offices throughout Southern California. AECOM previously provided program management services to the Authority from 2005 through 2014.

The Authority will benefit from the experience AECOM brings through managing over 25 airport improvement programs throughout the United States. AECOM has 100,000 employees company-wide, the industry's largest and most robust airport project planning and design delivery staff with in-house expertise to solve virtually any project delivery challenge that the Authority may encounter. AECOM can deliver airport project managers and subject matter experts within 72 hours of the request and can demobilize them immediately when the assignment is complete.

AECOM proposes to assign to the Authority's Program, an experienced and seasoned Program Manager, Frank Devlin, with more than 34 years of project delivery experience of which 20 years has been dedicated to delivering airport projects using different methods of project delivery such as design-bid-build (DBB), design-build (DB) and construction manager-at-risk (CMAR). Frank is currently working on a \$650 million North Terminal Program in New Orleans' MSY airport. Frank will work collaboratively with the Authority staff, providing the combined experience in aviation program management, project delivery excellence, and successful team integration to ensure that all the Authority's project needs are met quickly, efficiently and cost-effectively.

AECOM has a local San Diego presence, currently employing more than 400 San Diego County residents, have achieved 80% local business participation during the past 10 years with the Authority, with 22% of the work going to DBE businesses and over 50% to the consulting community, bringing local subcontracting success to the Authority. AECOM has been recognized, both nationally and locally, for keen commitment to nurture and grow these businesses through the Small Business Administration National Award, Calmentor Outstanding Achievement Awards, and the Path to Partnership Consortium Award. AECOM will work with the Authority to continue this success and grow the local and small business enterprises.

**SANGO ("Faithful & Gould")**

The SANGO Team is a joint venture between Faithful & Gould, Atkins, and MARRS Services. The team was strategically established to combine the key strengths necessary to meet the Authority's expectations for staff augmentation.

The SANGO Team proposed a local team offering continuity by building on their experience at SDIA in order to mitigate inefficiencies and delays during the transition to the new program management team. The SANGO Team proposed working with the Authority to provide a smooth transition by:

- Accommodation/absorption of existing program management team members into the SANGO Team in close coordination with the Authority.
- Using their experience working at SAN and a thorough understanding of the staff augmentation role to provide individuals with the right skills sets, attitude and drive to be key contributing members of the team.
- Utilizing proven processes and past experience working through similar transition challenges.

The SANGO Team has recently demonstrated their ability to provide the highest level of continuity through similar transitions that they have led for Los Angeles World Airports and the US Navy BRAC San Diego Program Management technical support for environmental cleanup and remediation. Also, the SANGO Team has successfully performed similar staff augmentation roles at other aviation facilities, both nationally and worldwide, and proposes to smoothly integrate with the Authority to meet specific needs and the unique expectations of this role.

The SANGO Team's proposed leadership is Program Manager, Darin Larson, who has 20 years of experience in a variety of key program management roles. Mr. Larson has managed a number of capital improvement and maintenance programs at commercial airports, including the \$800 million Airfield Expansion Program at Ft. Lauderdale-Hollywood International Airport and the \$8 billion King Abdulaziz International Airport in Jeddah.

**SAN Aviation Partners ("Parsons")**

SAN Aviation Partners is a Joint Venture comprised of Parsons Transportation Group, Inc. (Parsons) and Abadjis Systems, Ltd. (ASL). This Joint Venture was formed to assist the Authority to achieve its mission by providing quality Program Management, Staffing Support and Consulting Services. Their team members have worked together at various airports around the country, including SDIA, for more than 20 years. This long-standing relationship allows them to act together as one team that will integrate seamlessly with the Authority staff. As a result of this relationship, they state that their team has the strength and cohesion that is time tested and is eager to provide the Authority with safe, effective facilities that serve the needs of the region.

Parsons is an industry leader providing premier technical, engineering, construction, and management support throughout the world to federal, regional, and local government agencies, as well as private industries. Parsons accepts the toughest technical, managerial, and logistical challenges, and they deliver world-class solutions to their diverse customers. Parsons headquarters is located in Pasadena, CA, and has a 68-person office in San Diego, CA. Parsons served SDIA between 1995 and 2006 in the role of Program Manager/Construction Manager (PM/CM).

ASL is a small local business founded in 1991 in San Diego, California, and headquartered in Bonita, California, to provide program management services to the aviation community. Since 1995, ASL has continually provided program management services to the San Diego Port District and the Authority, from its first assignment as Program Manager for the Terminal 1 (East Terminal) Airlines Reallocation Program and Airlines' Technical Representative to its current assignment, providing Program Management Services for Authority CIP and MMP programs.

SAN Aviation Partners designates Gregory Blasic, as Program Manager. Greg has more than 33 years of experience in planning, design, and construction of projects for the building and aviation industries, including more than 27 years exclusively at domestic and international airports providing program, project, and construction management services. His experience includes 11 years with SDIA providing program management staff augmentation services in an integrated team environment. Greg worked closely with Authority staff to develop and implement the first high-performing integrated Authority-Consultant team in 1998.

Greg's aviation-specific project management experience includes the "cradle to grave" delivery of construction projects of complex terminal building facilities; airside (runways, taxiways, and aprons); landside (surface roadways, elevated roadways, parking lots, and parking structures); and cogeneration plants utilizing various types of project delivery methods, including design-bid-build, design-build, and Construction Manager at Risk, as well as variations of these methods to meet the unique requirements of the projects.

**Program Management Approach:**

The Authority's approach to managing its CIP/MMP program is to continue with a blended organization that integrates Authority staff and Consultant staff into a single high performing team while at the same time recognizing the contracting consultant relationship. The resulting structure provides a single point of accountability for project implementation from initiation, through design, construction, and delivery of completed projects.

Authority staffing levels are set to manage a baseline workload of typical airport improvement projects. Experienced aviation staff resources, are needed to assist Authority staff for management of project workload in excess of the baseline and to support projects requiring specialized subject matter expertise. The PM/CM Consultant ("Consultant") is contracted with to provide these resources on an "as-needed" basis.

During the next three-year period, the Authority will continue to implement the ongoing CIP/MMP program for development, maintenance, and operation of the existing airport facilities. It is anticipated that a number of the Consultant's staff will be assigned to the CIP/MMP Team responsible for management of the projects within these programs.

The CIP budget accounts for the costs for the following Program Management services including costs for Consultant services:

- Program Management
- Construction Management
- Project Planning and Engineering
- Grant Assistance
- FAA Coordination
- Design Review
- Commissioning
- Environmental Analysis
- Scheduling
- Project Accounting
- Cost Estimating
- Project Reporting
- Project Control
- Document Control
- Safety Program Administration
- Tenant Project Review
- Labor Compliance

**Future Steps:**

In order to execute an On-Call Program Management and Support Services Agreement with the top ranked firm, Staff will negotiate the scope of work and billing rates. If Staff cannot reach an agreement with the top ranked firm, Staff will then enter into negotiations with the next ranked firm. Under the proposed resolution, the President/CEO would then have the authority to award an agreement to the next ranked firm SANGO (Faithful + Gould) and establish an agreement with that firm.

Once a Program Management and Support Services Agreement has been executed with the successful firm, the Authority will work with that firm to add sub-consultants, based on the Authority's staffing needs for additional expertise. In the selection of those sub-consultants, the Authority will work to maximize opportunities for small, local, and service disabled owned businesses.

**Fiscal Impact:**

Adequate funds for the On-call Program Management Services Agreement is included with the Board approved FY 2015-2019 Capital Program Budget and adopted FY 2015 and conceptually approved FY 2016 Operating Expense Budgets within the Services – Other Professional line item. Sources of funding will depend on the project(s) utilizing the services and include, but are not limited to, Airport Revenue Bonds, Passenger Facility Charges, Customer Facility Charges, Airport Cash, Special Facility Bonds, short-term borrowing using the Revolving Line of Credit and Federal Entitlement and Discretionary Grants.

**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.

No preferences were applied to the award of the On-Call Program Management and Support Services Agreement with AECOM Technical Services, Inc., however AECOM Technical Services, Inc. has committed to working with the Airport Authority to maximize participation by small, local and historically underrepresented businesses on this contract. They proposed an aggressive Outreach and Subcontracting Approach (OSA) and Inclusionary Development Plan (IDP) which delineates how they plan to exceed the current program's 30% small business and 60% local business participation.

**Prepared by:**

IRAJ GHAEMI  
DIRECTOR, FACILITIES DEVELOPMENT

RESOLUTION NO. 2015-0020

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN ON-CALL PROGRAM MANAGEMENT AND SUPPORT SERVICES AGREEMENT WITH AECOM TECHNICAL SERVICES, INC., FOR A TERM OF THREE YEARS, WITH THE OPTION FOR TWO ONE-YEAR EXTENSIONS, IN AN AMOUNT NOT-TO-EXCEED \$60,000,000, IN SUPPORT OF THE CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROGRAMS, AT THE SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, the San Diego County Regional Airport Authority ("Authority") in support of its Capital Improvement ("CIP") and Major Maintenance Programs, ("MMP") has continually retained the services of consultants to perform specialized and extensive architectural and engineering support services using multi-year on-call program management and support services agreements; and

WHEREAS, the use of on-call program management and support services agreements has been the primary method of receiving these specialized services to support the Board's approved CIP and MMP since the Authority's inception in January 2003; and

WHEREAS, the ability to mobilize and demobilize consultants and their employees when needed, based on the CIP/MMP program demands, is a cost effective and expedient (time sensitive) approach for implementing the CIP/MMP, maintaining flexibility, and optimizing use of resources for accelerated project delivery; and

WHEREAS, the Authority staff utilizes a "state of the art" Program Control System (PCS) that enables staff to manage and monitor the scope, budget, and schedule of the CIP/MMP closely; and

WHEREAS, the PCS provides an integrated, fully personnel loaded schedule which is linked with the scope of work and project budget for each project; and

WHEREAS, the PCS helps staff identify the program/project staffing needs, integrates this information into the schedule, and provides for timely mobilization and demobilization of team members and

WHEREAS, Authority staff proactively monitors staffing needs and identifies those positions that should be performed by an Authority employee rather than a consultant using the consultant's employees; and

WHEREAS, in 2014, staff identified seven positions that would be most cost effective if performed by a full-time Authority-employee rather than a consultant; and

WHEREAS, when these seven positions are filled with Authority employees, there will be no need to use consultants to perform this work which results in a reduction in consultant-provided program management services and a corresponding reduction in costs; and

WHEREAS, the hiring of individuals by the Authority to fill these staff positions is in process and to date three of the seven positions have been filled; and

WHEREAS, a cost/benefit analysis is periodically conducted regarding the hiring of Authority employees versus the use of consultants to perform program management services; and

WHEREAS, hiring individuals as full time Authority employees to perform program management services potentially commits the Authority to the long term cost of salary, benefits, overhead, burden, and retirement benefits; and

WHEREAS, many of the varied skill sets needed to support the CIP/MMP are short term and periodic; and

WHEREAS, these needs do not justify hiring full time employees and using on-call consultants is the most cost effective approach in meeting these needs; and

WHEREAS, on November 20, 2014, a Request for Qualifications ("RFQ") was issued to obtain Statements of Qualifications ("SOQs") from qualified firms to provide On-Call Program Management and Support Services to the Authority; and

WHEREAS, on January 8, 2015, the Authority received six SOQs from prospective consultant firms; and

WHEREAS, an Evaluation Panel ("Panel") was established which included key representatives from the Authority's Development Division and Executive Team; and

WHEREAS, the Panel conducted a thorough review of the SOQs and determined that three firms were uniquely and best qualified to perform the requested On-Call Services; and

WHEREAS, on January 28, 2015, the Panel interviewed and ranked the three short-listed firms; and

WHEREAS, the top three short-listed firms selected by the Panel were AECOM Technical Services, Inc. ("AECOM"), SANGO (Faithful + Gould), and Parsons; and

WHEREAS, AECOM was the highest ranked firm followed by Faithful + Gould and the third-ranked firm was Parsons.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to negotiate and execute an On-Call Program Management and Support Services Agreement ("Agreement") with AECOM Technical Services, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$60,000,000, in support of the Capital Improvement and Major Maintenance Programs, at the San Diego International Airport; and

BE IT FURTHER RESOLVED that the Board hereby authorizes the President/CEO to negotiate the scope of work and billing rates to be included in the Agreement and approve the sub-consultants who will perform work under the Agreement; and

BE IT FURTHER RESOLVED that the Board hereby authorizes the President/CEO to award, negotiate and execute an Agreement with the next ranked firm SANGO (Faithful + Gould) in the event that negotiations are unsuccessful with AECOM; 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 a regular meeting this 19<sup>th</sup> day of February, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

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**Approve and Authorize the  
President/CEO to Execute  
an On-Call Program Management  
and Support Services Agreement  
with AECOM Technical Services,  
Inc.**

**San Diego County Regional Airport Authority  
Board Meeting  
February 19, 2015**

Presented by: Iraj Ghaemi, Director, Facilities Development

# Authority Program Management History

- 2003 to 2015
  - Inherited Port of San Diego Staff Augmentation Program (1998)
  - Single Program Management Company (1998-2012)
  - Multiple (3) Program Management Firms (2012-Present)
- 2015 Forward
  - Replace Multiple (3) Firms with Single Firm Concept
  - Single Firm Reduces Oversight and Management Cost
  - Ability to Choose the Best Talent
  - Maximizes the use of Small Business and Local Participation
  - Provides Maximum Flexibility for the Authority

# Concept of Program Management

- Maintain Authority Core Staff
- Staff Augmentation on an “as-needed basis”
- Immediate Access to Highly Skilled and Specialized Consultants
- Provide Maximum Staffing Flexibility
- Ability to Mobilize and Demobilize Consultants Based on Demand
- Access to Diverse Technical Resources
- Most Cost Effective Approach to Program Management

# Concept of Program Management(Cont.)

- The Program Control System (PCS) Monitors:
  - The Scope, Budget, and Schedule
  - Fully Manpowered, Loaded Schedule Linked to the Scope and Budget
  - Timely Mobilization and Demobilization of Program/Project Staff
- Providing Reports in Support of the Program Oversight
- Identifying Positions That Need to be Filled by Authority's Staff
- Cost Benefit of Hiring Full Time Authority Staff Verses Utilizing PM/CM Consultants
- The Funding for the PM/CM Consultant is in the Board Approved CIP Budget

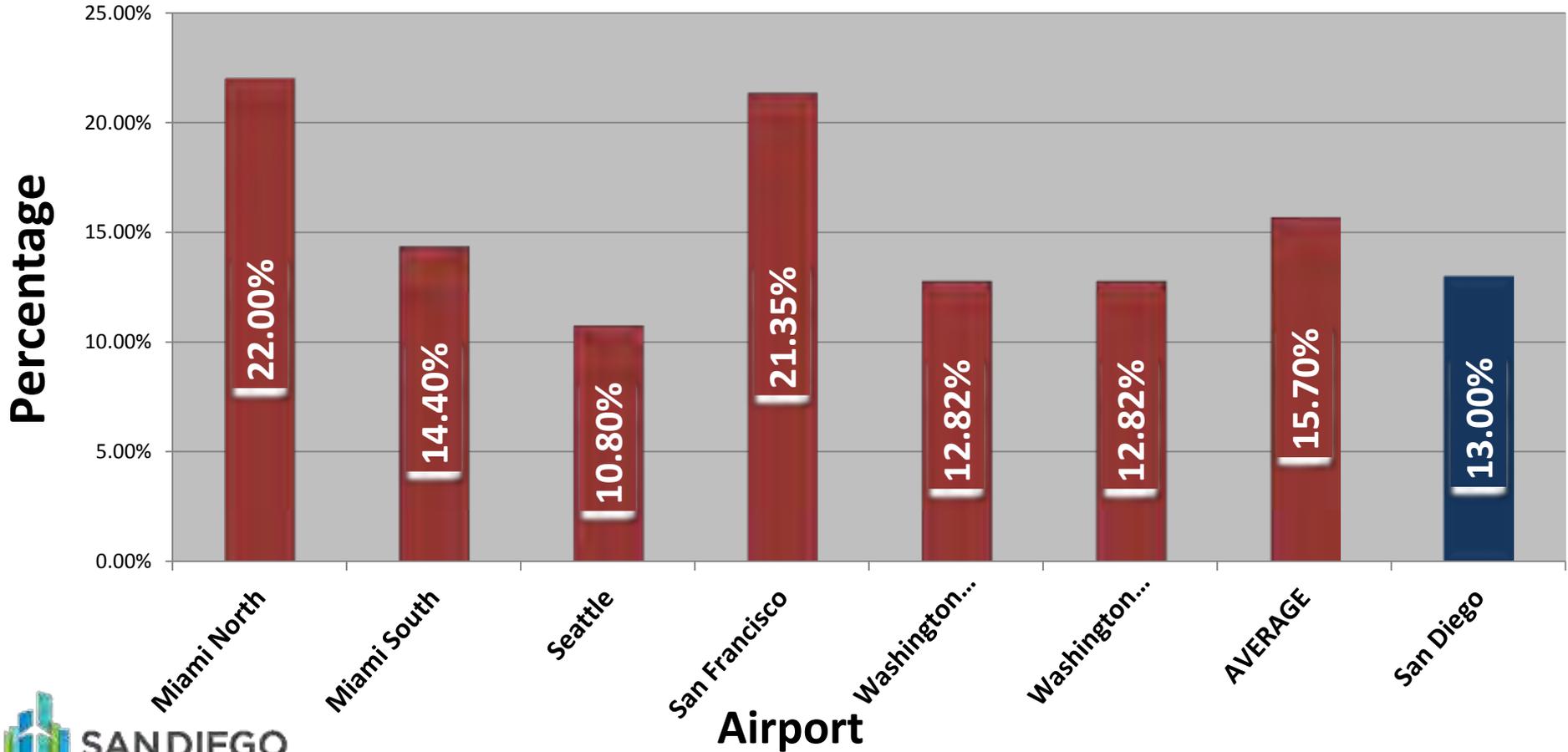
# Inclusionary Approach

- Selecting one Prime Consultant Only
- Collaborative Inclusionary Development Plan
- Aggressive Outreach Plan for Sub-consultants
- Maximizing Participation of:
  - Small
  - Local
  - Historically Underrepresented
  - Disadvantage Business Enterprise (DBE)

# Staff Augmentation Examples

- Program Managers
- Project Managers
- Construction Managers
- Project Engineers and Architects
- Program Control and Reporting Specialists
- Communication/IT Systems Specialists
- Jetway Specialists
- Security System Specialists
- Baggage Handling System Specialists
- Cost Estimators
- Schedulers
- Accounting Specialists
- Document Control Specialists
- Inspectors

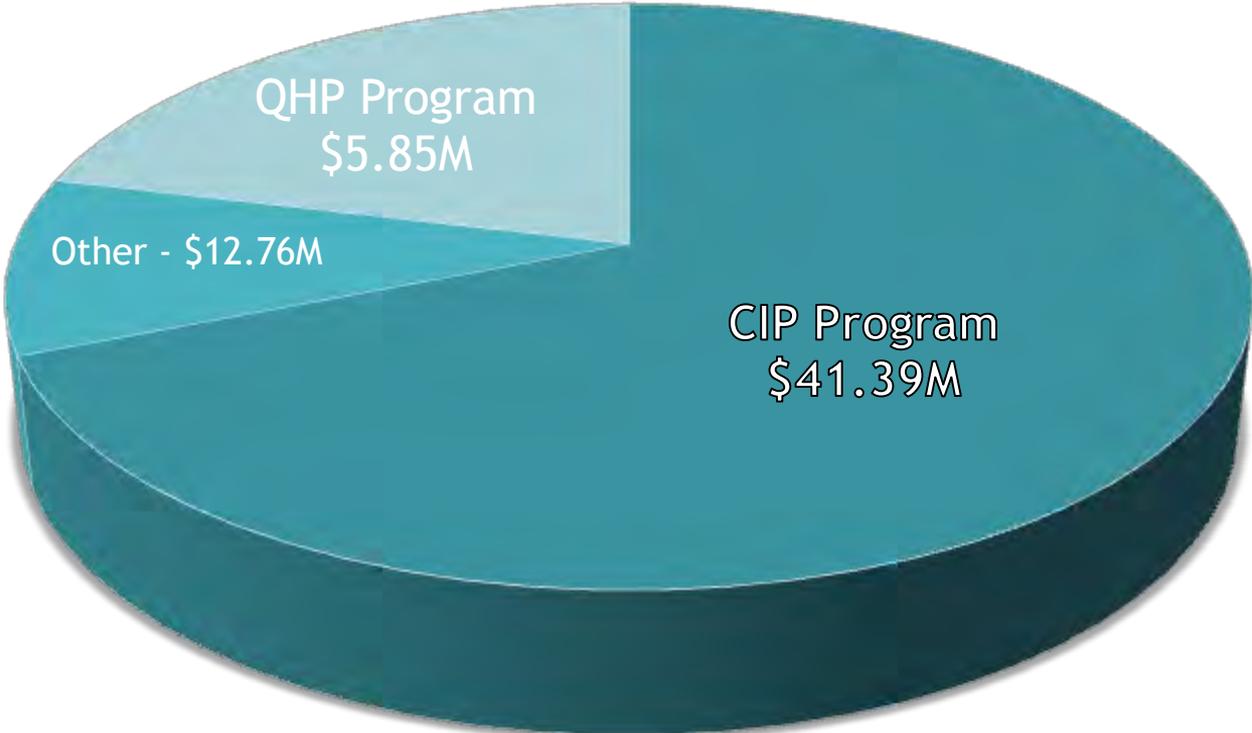
## PM/CM % of Program



# Projected Program Management Budget Requirements

- Five Year Board Approved Capital Improvement Program (CIP) Budget \$530 Million
  - Budget for PM/CM Services for the First three years at 13% of CIP Budget
  - $(13\% \times \$530 \text{ Million}) / 5 \times 3 = \$41.39 \text{ Million}$
- Annual Board Authorized Quieter Home Program (QHP) Budget \$15 Million per Year
  - Budget for PM/CM Services for the First three years at 13% of QHP Budget per Year
  - $(13\% \times \$15 \text{ Million}) \times 3 = \$5.85 \text{ Million}$
- Programing and Other Support Budget \$12.76 Million
  - New Capital Improvement Program (2016-2020)
  - Major Maintenance Program
  - Support for Planning and Programing of the Airport Development Program

# Program Management Budget for 3 Years \$60M



# Program Management Selection Process

- Request For Qualifications (RFQ)
- 3 Year Contract with 2 One-year Options
- 6 Proposals Received
- 2 Step Process; Short-list and Interviews
- Selected 3 Firms for Interviews
- Rank the Top 3 Firms

# RFQ Evaluation Panel

## Seven Panelists:

- President/CEO
- Vice President, Development
- Vice President, Finance/Treasurer, Business Financial
- Vice President, Operations
- Director, Facilities Development Department
- Director, Airport Design and Construction
- TDP Program Director-Consultant, Airport Design and Construction

# RFQ - Evaluation Criteria

<b>Firms</b>	<b>Panelist 1</b>	<b>Panelist 2</b>	<b>Panelist 3</b>	<b>Panelist 4</b>	<b>Panelist 5</b>	<b>Panelist 6</b>	<b>Panelist 7</b>	<b>Total</b>	<b>Rank</b>
AECOM	2	1	1	1	1	2	1	9	1
SANGO Faithful + Gould	1	2	3	2	3	1	3	15	2
Parsons	3	3	2	3	2	3	2	18	3

<b>Combined Scores</b>	<b>Program Manager</b>	<b>Project Team/Prior Experience</b>	<b>Organizational Structure</b>	<b>Work Plan</b>	<b>Inclusionary Approach/ Outreach</b>	<b>Sustainability</b>	<b>Total</b>
AECOM	520	1180	530	2030	750	570	5580
SANGO Faithful + Gould	560	1060	490	1820	795	550	5275
Parsons	470	1020	520	1575	690	440	4715

# Staff Recommendations for Board Action

- Authorize President/CEO to Negotiate and Execute an On-Call Program Management and Support Services Agreement with AECOM Technical Services, Inc. for a Term of Three Years, With the Option for Two One-Year Extensions, In an Amount Not-to-Exceed \$60,000,000 in Support of the Capital Improvement and Major Maintenance Programs at the San Diego International Airport.
- Authorize President/CEO to Negotiate, Award, and Execute an Agreement with the Next Ranked Firm, SANGO (Faithful + Gould) in the Event that Negotiations are Unsuccessful with AECOM.
- Why “Not-to-Exceed”?
  - Provides Capacity, not Commitment
  - Maximum Flexibility Based on Performance



SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
**STAFF REPORT**

**Item No.  
15**

Meeting Date: **FEBRUARY 19, 2015**

**Subject:**

**Transportation Network Company (TNC) Pilot Program Parameters**

Recommendation:

Provide Board input on the TNC Pilot Program parameters.

**Background/Justification:**

Transportation Network Companies (TNCs) have a very unique business and technology model, allowing them to operate very differently from taxicabs, Vehicle for Hire (VFH)/ Shuttles and Limousines (TCP charter party carriers). These differences make it necessary for the Airport to formulate regulatory rules and regulations applicable to the TNC business model. The inherent conflict between the highly regulated taxicab, VFH and TCP transportation modes and the very loosely regulated but technology intensive TNCs raises some very difficult and contentious issues. These divergences challenge Airport policymakers to balance regulation and the legacy operating model with innovation and consumer demand for TNC services. The new Airport TNC operational model will add a new dimension of passenger ground transportation app-enabled service that has not been previously attempted at SDIA.

At issue is a fundamental change in the ground transportation systems and models that have existed for many years, not just at airports but within municipalities and states as well. Technological advances, as with many **of today's** app-enabled services, provide a significant **"game changing"** advantage for the TNCs. State and local regulators have taken a **"wait and see"** attitude, relying instead on TNC operators to self-regulate their business operations and their drivers. In comparison, the traditional more highly regulated commercial transportation service providers are held to more stringent and higher standards, especially for driver background checks, qualifications, driving records, vehicle inspections, safety and registration and rates and fares.

The California Public Utilities Commission (PUC) defines a Transportation Network Company ("TNC") as **"an organization whether a corporation, partnership, sole proprietor, or other form, operating in California that provides prearranged transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles."** In Decision 13-09-045 dated September 19, 2013, the PUC **"found that TNCs are charter party passenger carriers, and therefore we [PUC] will exercise our existing jurisdiction pursuant to Article XII of the California Constitution and the Passenger Charter-party Carriers' Act, PU Code § 5351 et seq. (the Act). In this decision, under the broad grant**

of authority pursuant to PU Codes § 5381 and 701, we [PUC] create the category of TNC **to accompany the existing category of TCP.**" (Conclusion of Law 6, p.71)

The PUC decision rules and regulations for TNCs were adopted to ensure that public safety was not compromised by the operation of this new transportation business model. Among other things, the PUC **ordered that "TNCs shall not conduct any operations on the property of or into any airport unless such operations are authorized by the airport authority involved."** (Id., Regulatory Requirements, p.33)

San Diego County Regional Airport Authority Code BUSINESS AND COMMERCIAL **ACTIVITIES SECTION 8.41 states "(a) It shall be unlawful for any person to engage in any performance as an entertainer or engage in any business or commercial activity on any of the facilities or airports under the jurisdiction of the San Diego County Regional Airport Authority (the "Authority"), except as authorized by a valid grant, franchise, lease, certificate or permit from the Authority."** TNCs are engaged in a commercial activity at the airport thus requiring the grant of a valid Ground Transportation Permit.

This Staff Report:

- I. Summarizes the current regulatory framework, requirements and restrictions of the SDIA Commercial Ground Transportation Operators and outlines the major differences for Taxicabs, Passenger Stage Corporation (Vehicle for Hire/Shuttle Van), Transportation Charter Party (TCP) carriers (limousines) and TNCs.
- II. Summarizes the critiques, questions and concerns raised by the TNC representatives at a meeting on January 13, 2015 and the SDIA Ground Transportation operators and stakeholders (e.g. taxicab, VFH and limousine) at a meeting on January 14, 2015 to review the TNC Draft Permit (Attachment A) distributed December 18, 2014.
- III. Identifies the similarities and differences between the permit currently in use at San Francisco International Airport (SFO) (Attachment B) and SDIA's draft permit. The San Francisco TNC permit was signed in October 2014.

The Authority seeks to ensure the travelling passenger and the general public have access to a safe and secure facility, an effective and efficient travel experience and access to transportation options and conveniences they desire. TNCs are promoting a different but responsive transportation service, competitive fares and customer-friendly drivers. They are implementing a new commercial transportation model and disrupting the status quo of current commercial transportation providers. Their model is causing existing commercial operators great concern and challenging lawmakers to take a second look at potentially outdated regulations. While this period of change is occurring, airport staff must work with all parties to determine how best to integrate TNC services into the **Airport's** ground transportation system. Staff is therefore recommending a **limited duration "TNC pilot program" be approved to** monitor, evaluate and enforce the requirements and criteria outlined in this staff report.

SDIA Commercial Ground Transportation Regulatory Framework and Requirements

The following summary outlines some key differences in the ground transportation regulations and requirements applicable to taxicabs, Vehicles for Hire, Limousines and TNCs. The summary elements are not all inclusive.

	<b>Taxicabs</b>	<b>Passenger Stage Corporation (PSC)- Vehicles for Hire (VFH)</b>	<b>Transportation Charter Party (TCP) carrier-Limousines</b>	<b>Transportation Network Company (TNCs)</b>
<b>Regulatory Authority</b>	Metropolitan Transit System (MTS) SDC Sheriff's Dept. SDC Weights and Measures Airport Authority Codes, Rules and Regulations, MOAs	California Public Utilities Commission (PUC) California Highway Patrol (CHP) Airport Authority Codes, Rules and Regulations and MOAs	California Public Utilities Commission (PUC) California Highway Patrol (CHP) Airport Authority Rules and Regulations	California Public Utilities Commission (PUC) California Highway Patrol (CHP) Airport Authority Rules and Regulations
<b>Driver</b>	Licensed under the California Vehicle Code (commercial driver's license)  Requires a Sheriff's License and an Airport Driver's Permit background check (Security Threat Assessment)	Licensed under the California Vehicle Code (commercial driver's license)  Airport Authority issued driver's placard	Licensed under the California Vehicle Code (commercial driver's license)  May only transport passengers on a prearranged basis  Comply with Title 13, California Code of Regulations. Driver must be under the permit or certificate (CPUC authority) holder  and must be (a) an employee of the authority holder, or (b) an employee of a sub-carrier, or (c) an independent owner-driver who holds charter-party carrier authority and is operating as a sub-carrier.	Licensed under the California Vehicle Code (personal driver's license)  May only able to transport passengers on a prearranged basis.  The app used by a TNC to connect drivers and passengers must display for the passenger: 1) a picture of the driver, and 2) a picture of the vehicle the driver is approved to use, including the license plate number to identify the vehicle.
<b>Permit Holder, Vehicle Owner</b>	May be either the permit holder (owner) or a leased driver.	May be either the permit holder (owner) or a leased driver.	May be either the permit holder (owner) or a leased driver.	TNCs are not authorized to own vehicles or fleets

	Taxicabs	Passenger Stage Corporation (PSC)- Vehicle for Hire (VFH)	Transportation Charter Party (TCP) carrier- Limousines	Transportation Network Company (TNCs)
<b>Vehicle</b>	<p>MTS Medallion with annual safety inspection</p> <p>Meter calibration to ensure proper fares</p> <p>Inspection for vehicles between 7 and 10 years</p> <p>Commercial license plates required</p>	<p>PSC and/or TCP registration from the PUC with annual CHP inspection</p> <p>Brake and lamp inspection</p> <p>Inspection for vehicles between 7 and 10 years</p> <p>Commercial license plates required</p>	<p>California Vehicle Code (CVC) does not require inspection of commercial vehicles with a seating capacity of 10 or fewer persons, including the driver. CPUC rules provide that "every carrier must inspect all vehicles and maintain documentation." (GO 157-D, Rule 4.02). PUC Code section 5374 (a)(1)(C) requires carriers have a preventive maintenance program that complies with California Highway Patrol (CHP) regulations in Title 13 of the Code of Federal Regulations (CFR).</p> <p>Commercial license plates required</p>	<p>Prior to operating, and annually thereafter, vehicles used to provide TNC services must pass a 19-point inspection by a facility licensed by the California Bureau of Automotive Repair, including foot and emergency brakes; steering; windshield; rear window and other glass; windshield wipers; headlights; tail lights; turn indicator lights; stop lights; front seat adjustment mechanism; doors; horn; speedometer; bumpers; muffler and exhaust; tires; rear view mirrors; and safety belts.</p> <p>Private license plates allowed</p>

	<b>Taxicabs</b>	<b>Passenger Stage Corporation-Vehicle for Hire (VFH)</b>	<b>Transportation Charter Party (TCP) carrier-Limousines</b>	<b>Transportation Network Company (TNCs)</b>
<b>Insurance</b>	Combined Single Limit (CSL) of \$1million CSL	Combined Single Limit (CSL) of \$750,000 CSL (7 passengers)	Liability coverage for death, bodily injury, and property damage, based on vehicle seating capacity, including the driver for up to 7 passengers: \$750,000	<p>TNC services are defined with three periods. Period 1: App open – waiting for a match. Period 2: Match accepted – but passenger not yet picked up (i.e. driver is on his/her way to pick up the passenger). Period 3: Passenger in the vehicle and until the passenger safely exits the vehicle.</p> <p>Period 1. A minimum of at least \$100,000 for one person, \$300,000 for more than one person, and \$50,000 for property damage of excess commercial insurance is required.</p> <p>Periods 2 &amp; 3. A minimum of at least \$1 million primary commercial insurance is required.</p>
<b>Consortium Memorandum of Agreement (MOA)</b>	MOA signed with three (3) taxicab consortiums establishing performance requirements and consequences	MOA signed with three (3) VFH consortiums establishing performance requirements and consequences	No MOA	No MOA

	<b>Taxicabs</b>	<b>Passenger Stage Corporation-Vehicle for Hire (VFH)</b>	<b>Transportation Charter Party (TCP) carrier-Limousines</b>	<b>Transportation Network Company (TNCs)</b>
<b>Fares, rates and tariffs</b>	<p>Maximum fares established by MTS for trips originating from the Airport.</p> <p>Current airport fare:                      \$2.80 Flag drop                      \$3.00/ mile                      \$24 wait time/hr.</p>	<p>Must file tariffs containing rates assessed the public. Carriers must file timetables, in accordance with General Order 158-A, Part 8. Tariff is for the information and use of the general public.</p>	<p>The level of charges assessed by the TCP operator is not regulated. Law provides that their charges must be based on vehicle mileage or time of use, or a combination thereof.</p>	<p>Fares and other charges are set by the TNC and not regulated or established by any public agency.</p> <p>Surge pricing is allowed when customer demand reaches certain thresholds.</p>
<b>Airport Operation &amp; Vehicle tracking</b>	<p>Airport regulations require taxicabs and drivers to be permitted by the Airport (354 vehicles). Permittees are able to use the airport facilities to stage and pick up passengers. Unpermitted operators may only drop off.</p> <p>Taxicabs and drivers are permitted annually.</p> <p>Vehicles are assigned an Automated Vehicle Identification (AVI) transponder to record airport activity.</p>	<p>Airport regulations require VFH and drivers to be permitted by the Airport (132 vehicles). Permitted operators may use the airport facilities to stage and pick up passengers. Unpermitted operators may only drop off.</p> <p>VFH and drivers are permitted annually.</p> <p>Vehicles are assigned an Automated Vehicle Identification (AVI) transponder to record airport activity.</p>	<p>Airport regulations require TCP vehicles to be permitted by the Airport (1245 vehicles). Permitted vehicles may use airport facilities to stage and pick up passengers. Unpermitted operators may only drop off.</p> <p>TCP vehicles are permitted annually</p>	<p>TNCs shall not conduct any operations on the airport unless such operations are authorized by the airport.</p> <p>Airport regulations are being developed to define airport operation and vehicle tracking.</p> <p>TNCs use a Global Positioning System (GPS) and a “geo-fence” which establishes a perimeter around the airport to record airport activity.</p>
<b>Airport Access (Trip and Permit) Fees</b>	<p>Driver pays trip fee                      Permit holder pays vehicle permit fees</p>	<p>Permit holder pays vehicle permit fees</p>	<p>Permit holder pays vehicle permit fees</p>	<p>Permit holder pays trip fees</p>

	<b>Taxicabs</b>	<b>Passenger Stage Corporation-Vehicle for Hire (VFH)</b>	<b>Transportation Charter Party (TCP) carrier-Limousines</b>	<b>Transportation Network Company (TNCs)</b>
<b>Waybill</b>	No waybill required (metered fare)	Waybill for prearranged service pickup; no waybill is required for walk up (free call) passengers	Carriers are required by §5381.5 and G.O. 157-D, Part 3.01 to possess a waybill for each trip containing the following: <ol style="list-style-type: none"> <li>1. Carrier name and TCP number.</li> <li>2. Vehicle license plate number.</li> <li>3. Driver's name.</li> <li>4. Name &amp; address of person requesting or arranging charter.</li> <li>5. Time &amp; date charter was arranged.</li> <li>6. How charter was arranged [phone or written contract].</li> <li>7. Number of persons in charter.</li> <li>8. Name of 1 passenger or traveling party.</li> <li>9. Origin and Destination.</li> </ol>	TNC drivers must be able to prove that a ride was matched on the TNC software application as evidence of prearrangement. In other words, information in the software application must be the equivalent of an electronic waybill.

TNC and SDIA Ground Transportation Operators and Permit Holders Feedback (Attachment C)

A draft TNC permit was issued **to the TNCs and the Airport's** GT Operators and Permit Holders on December 18, 2014 for comment. The draft permit incorporated many key vehicle, driver and operational conditions currently in place for permitted taxicabs, VFH and limousines. The draft document described more stringent requirements for airport operation such as TNC vehicle permitting, identification and tracking, driver background checks and permitting, pickup and drop off locations and restrictions, permit limitations and data reporting. TNC representatives from UBER, LYFT, SIDECAR, WINGZ, RAPID, and OPOLI provided written comments and met with Airport staff on January 13, 2015 to clarify their positions and gather additional information. Taxicab, VFH and limousine representatives met with Airport staff on January 14, 2015 to share their comments and concerns.

The following comments were compiled from their feedback.

	<b>TNC comments</b>	<b>SDIA Ground Transportation Stakeholders: Taxicabs Vehicle for Hire (VFH) Limousines/ Charter Party Carriers' comments</b>
<b>Pilot Program</b>	<p>Requests airport not restrict the number of vehicle and driver permits or adopt a 60-90 day pilot period. "A cap on permits will not only severely limit the effectiveness of Uber's product by artificially lowering supply, but it will not give the Airport an accurate test period for how the market will operate." (UBER)</p> <p>"Very concerned" (SIDE CAR)</p>	<p>Supports an airport pilot program that restricts the number of permits and sets a reasonable amount of time to fully assess the impact of TNC operations.</p> <p>Existing airport-permitted ground transportation operators should be allowed to participate in the TNC pilot program evaluation.</p>
<b>Vehicle tracking and Airport trip charges</b>	<p>Automated Vehicle Identification (AVI) transponders are considered redundant and should not be required; the TNC geo-fence is able to provide requested trip data and allow billing of trip fees. Removable transponders can be lost or mishandled.</p> <p>Request self-reporting of fees with the Airport able to audit and investigate.</p> <p>(Would prefer SDIA use) SFO data interface ("Ping") system to track vehicles</p>	<p>Taxicabs and VFH are equipped with AVI transponders to record trips and assess trip fees. TNCs should be required to have the same requirement as taxis and shuttles</p> <p>Limos will be required to have SDIA AVI transponders (or a workable transponder from another airport) effective Jan. 1, 2016.</p>
<b>Driver and vehicle identification airport placard and airport permit, waybill</b>	<p>Vehicle placards and airport permits should not be required; trade dress should be sufficient to identify/verify a TNC vehicle.</p> <p>Private and personal vehicles should not have to display a permanent marking</p> <p>Requiring drivers to obtain an airport permit places an undue burden on them; the administrative requirements for permitting and management should be placed directly on the TNC.</p> <p>Drivers should be allowed to operate under different TNC platforms (i.e. UBER permitted drivers to drive for LYFT).</p> <p>Electronic waybill complies with PUC decision.</p> <p>TNC drivers face app deactivation if they do not follow the terms and conditions.</p>	<p>All airport-permitted commercial vehicles should be required to have a sticker/decal affixed to the vehicle. Thus, TNC vehicles should be mandated to comply with taxicab and shuttle regulations for permanent vehicle identification.</p> <p>TNC drivers should have valid business license.</p>

	<p><b>TNC comments</b></p>	<p><b>SDIA Ground Transportation Stakeholders: Taxicabs Vehicle for Hire (VFH) Limousines/ Charter Party Carriers' comments</b></p>
<p><b>Background Checks (Attachment D)</b></p>	<p>PUC allows TNCs to conduct their own national background checks including the national sex offender database. The criminal background check which is done through an on-line application uses the applicant's social security number. Any felony criminal convictions within seven years prior to the date of the background check for violent crime, sexual offense, a crime involving property damage and/or theft will make the applicant ineligible to be a TNC driver.</p> <p>The CPUC requires quarterly DMV driving record checks. A driver may have no more than 3 points within the preceding 3 years, no "major violations e.g. reckless driving, hit and run, driving with a suspended license within the preceding 3 years and no driving under the influence convictions within the past 7 years.</p> <p>TNCs claim FBI background checks are flawed and do not fully investigate the individual's criminal history. TNC drivers are required to have a valid California driver's license</p>	<p>Taxicab drivers are required to have a valid California commercial driver's license, comply with the Metropolitan Transit System (MTS) licensing and permitting requirements, apply for and obtain a San Diego County Sheriff's license, secure a city business license and obtain clearance for the Homeland Security TSA Security Threat Assessment (STA). Drivers are issued an airport badge (credential) when their background check clears.</p> <p>VFH drivers are required to comply with the California Public Utilities Commission (PUC) for Passenger Stage Corporation (PSC) and/or Transportation Charter Party (TCP) carrier. Drivers of passenger stage and charter-party vehicles must be licensed as required under the California Vehicle Code, and must comply with the driver provisions of Title 13, California Code of Regulations. They must also be the permit or certificate (CPUC authority) holder or under the complete supervision, direction and control of the operating carrier, and must be (A) an employee of the authority holder, or (B) an employee of a sub-carrier, or (C) an independent owner-driver who holds charter-party carrier authority and is operating as a sub-carrier</p> <p>TNCs drivers and vehicles should be subject to the same requirements</p>
<p><b>Airport requested vehicle and driver listing</b></p>	<p>Vehicle and Drivers listing is unnecessary since the TNCs maintain their own list of drivers and vehicles.</p>	<p>Taxicabs and VFH operators are required to update their list of permitted vehicles and drivers as they change and annually as part of their permits.</p> <p>Limousine operators are required to list of their permitted vehicles as they change and annually as part of their permits.</p> <p>TNCs drivers and vehicles should be subject to the same requirements</p>

	<b>TNC comments</b>	<b>SDIA Ground Transportation Stakeholders: Taxicabs Vehicle for Hire (VFH) Limousines/ Charter Party Carriers' comments</b>
<b>Driver drug testing</b>	TNCs are required via the PUC ruling to “institute a zero tolerance intoxicating substance policy with respect to drivers. Promptly after a zero-tolerance complaint is filed, TNCs shall suspend the driver for further investigation.	All TNC drivers should be required to have mandatory and random drug tests
<b>Insurance</b>	Be consistent with the PUC insurance requirements	Hold the TNCs to the same insurance requirements as the Taxicabs and VFH - \$1 million Combined Single Limits (CSL) at all times
<b>Regulated rates of fare and surge pricing</b>	Fares are set through the TNC app; customers have the option of accepting a “surge price.” Uber is willing to report surge pricing events on a monthly basis but not on a 24 hour basis (requirement is onerous and excessive). Less than 0.1% of trips originating at SDIA have been subject to surge pricing.	There is no oversight of the fares and fees being charged by TNCs. Lawsuits have been filed challenging the TNC fare structures and their legitimacy. Surge pricing is not authorized where fares are regulated.
<b>Vehicle age restrictions or AFV/CAV requirements</b>	Since there are no PUC regulations restricting vehicle age, the Airport cannot impose anything more burdensome.	TNCs should conform to the same vehicle age restrictions and fuel types as the other SDIA commercial ground transportation providers.
<b>Vehicle staging (within the Airport's cell phone lot)</b>	15 minute “wait time” limit is unnecessary given that (Uber) uses a First In-First out electronic geofence and drivers will not wait in designated staging areas for extended times.	TNC vehicles will stage in and dispatch from in the cell phone lot. They should be required to pay for this privilege. TNCs pickups in the Airport's parking lot does not contribute to the parking lot's cost recovery.
<b>24 local telephone call line</b>	Uber routinely deals with lost items using multiple channels (phone, app, email, local office, social media) to recover or turn in lost property	TNCs should have a local telephone number staffed during regular business hours for complaints, lost property or general information.
<b>ADA Compliance</b>	(Uber) working hard to partner with more service providers who can meet accessibility needs (Uber however, is not subject to the requirements of Title III, Americans with Disabilities Act.	TNCs should be expected and required to provide ADA compliant services.

The feedback from two groups highlights their major operational differences and illustrates the more contentious points on the part of the existing ground transportation providers in an effort to preserve and perhaps strengthen many of current Airport regulatory and permitting requirements.

TNC Permit Comparison (SDIA Draft Permit and SFO Signed Permit)

To date SFO is the only California airport to negotiate a TNC permit (Attachment B) with all PUC licensed TNCs. Airport staff has reviewed and discussed the SFO permit with the SFO staff and is recommending the following requirements and conditions be incorporated into the final version of the SDIA TNC permit. Staff therefore, is seeking Board input on the parameters for each category.

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>
<b>Airport Pilot Program</b>	<p>10 months (pilot expires 8/21/15)                      No limitations on authorized drivers and vehicles                      May be modified or cancelled at any time at the sole and absolute discretion of the Airport Director</p>	<p>9 months (pilot expires 12/31/15)                      No permit limitations for TNC drivers and vehicles                      Modified or cancelled at any time at the sole and absolute discretion of the Airport President/CEO                      Permit evaluation and success criteria:                      1) Passenger safety- zero (0) accidents/incidents; 2) Airport operational and security issues- zero (0) occurrences; 3) TNC adherence to Permit terms and conditions- zero (0) non-compliances; 4) On-time data reporting and trip fee payment</p>
<b>Insurance</b>	<p>Workers' Compensation Insurance in statutory limits with Employer's Liability limits not less than \$1,000,000 each accident.</p> <p>Commercial, primary liability insurance policies shall provide per-incident coverage while on Airport premises:                      Period 1: Not less than \$50,000 for death and injury per person, \$100,000 for death and injury per incident, and \$30,000 for property damage for all of the following conditions: (a) a TNC Vehicle is on Airport property; (b) the TNC Driver's app is on or open (or otherwise indicating availability through the TNC platform); (c) the TNC Vehicle has no passenger; and (d) the TNC Driver has not accepted a ride request. All TNC Drivers shall have their apps open for the entire time they are on Airport property.</p> <p>Period 2: Not less than \$1,000,000 per-incident when the driver's app is on and the driver has accepted a ride request.</p>	<p>Workers Compensation Insurance in statutory limits with Employer's Liability limits not less than \$1,000,000 each accident. TNC may request a waiver of this requirement if exempt from Workers' Compensation coverage in accordance with California law.</p> <p>Commercial Automobile and/or Excess Liability, Uninsured and Underinsured Motorist insurance coverage in the following amounts while a TNC vehicle is on Airport premises:                      Note: TNC vehicles are only allowed to stage on airport property provided they have a prearranged pickup (as indicated on the app). TNCs shall only stage at the cell phone lot only and under this condition (trigger Period 2)</p> <p>Insurance requirements by period:                      Period 1: Excess commercial liability insurance of not less than \$100,000 per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a TNC's online-enabled application or platform.</p>

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>
<b>Insurance (cont.)</b>	<p>For purposes of this Pilot Program a TNC Driver is in Period 2 either (a) after dropping off a passenger on Airport and accepting a ride request for pick-up on or off Airport or (b) after entering Airport for the purpose of meeting a requested pick-up.</p> <p>Period 3: Not less than \$1,000,000 per-incident when a TNC driver is carrying a passenger on Airport property.</p> <p>(c) Excess commercial liability insurance of not less than \$200,000 per-incident for all of the following conditions: (a) a TNC Vehicle is on Airport ; (b) the TNC Driver’s app is on or open (or otherwise indicating availability through the TNC platform); (c) the TNC Vehicle has no passenger; and (d) the TNC Driver has not accepted a ride request. Consistent with § 3.3(c)(ii), all TNC Drivers shall have their apps open for the entire time they are on Airport. In all cases, the insurance coverage shall be available to cover claims regardless of whether a TNC Driver maintains insurance adequate to cover any portion of the claim.</p> <p>In all cases, the insurance coverage shall be available to cover claims regardless of whether a TNC Driver maintains insurance adequate to cover any portion of the claim.</p> <p>All liability insurance policies shall be endorsed or otherwise to provide the following:</p> <p>(a) The City and County of San Francisco, the Airport Commission and its members, and all of the officers, agents, and employees are named as additional Insureds.</p> <p>(b) Such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of the Permit, and that insurance is to be applied separately to each insured against who claim is made or suit is brought. No other insurance of City will be called upon to contribute to a loss covered.</p>	<p>Period 2: Commercial Automobile and/or Excess Liability insurance not less than \$1,000,000 per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a TNC’s online-enabled application or platform.</p> <p>Period 3: Commercial Automobile and/or Excess Liability, Uninsured and Underinsured Motorist insurance not less than \$1,000,000 per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a TNC’s online-enabled app or platform.</p> <p>In all cases, the insurance coverage shall be available to cover claims regardless of whether a TNC Driver maintains insurance adequate to cover any portion of the claim.</p> <p>The insurance shall include and insure Authority, its Board and all its officers, employees, and agents, their successors and assigns, as additional insureds with respect to the acts or omissions of TNC, and any of its directors, officers, employees, contractors, drivers, representatives or agents in their performance of services pursuant to this Permit, in their operations, use, and occupancy of the Airport, or other related functions performed by or on behalf of TNC in, on or about the Airport.</p> <p>At a minimum, TNC shall carry all policies and coverages required in the CPUC Decision and any subsequent CPUC Rule or state or federal statute, or applicable local ordinance.</p> <p>All insurance policies required herein shall have a minimum A.M. Best Company financial rating of A- minus 7.</p>

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>
<b>Insurance (cont.)</b>	(c) Severability of Interests (Cross Liability): The term “the insured” is used severally and not collectively, and the insurance afforded under the liability coverages applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company’s liability. (d) All policies shall provide that the insurance company shall provide thirty (30) days prior written notice to City of cancellation, or reduction in coverage or limits. Permittee shall provide evidence to City of proof of insurance coverage for a minimum period of not less than ninety (90) days.	Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code §§ 1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. TNC agrees, except where exempted, to provide Authority proof of said insurance by and through a surplus line broker Permitted by the State of California.
<b>Driver Background Checks &amp; Vehicle inspections</b>	TNCs are required to ensure public safety performing criminal background checks and California DMV checks on all drivers, and a 19-point vehicle inspection on all vehicles its drivers will use to perform TNC services. TNC Vehicles inspected annually through a licensed automotive repair dealer (Bureau of Automotive Repair licensed auto repair facilities)	TNCs are required to perform criminal background checks and California DMV checks on all drivers The PUC mandated 19-point vehicle inspection used to perform TNC services. TNC Vehicles inspected annually through a licensed automotive repair dealer (Bureau of Automotive Repair licensed auto repair facilities) with a “VALID STATUS” and maintain proper documentation of such inspections Airport will accept approved TNC background check subject to the Airport’s random driver audit and driver (finger print) background verification (based on % of trips)
<b>Airport operations</b>	(Permit) For pickups and drop offs. TNC waiting (Period 1) at TNC Staging lot; Wait time in staging lot is limited to 30 minutes and will be monitored Passenger pickups and drop offs at Terminal curb white zones (L2 Departures) TNCs are not allowed to stage, drop off or pickup at the terminal curb	Permit will allow for prearranged pickups only; solicitation and curbside “hails” are not authorized (drop offs are allowed without a permit). TNCs may only stage at Airport’s cell phone lot provided they have the prearranged passenger (Period 2) with 15 minute max. wait time. TNC usage of the cell phone lot will be evaluated throughout the pilot program and may be terminated at any point by the President/CEO. Passenger pickups will be done in the Terminal parking lot within the designated limousine parking spaces. Airport TNC contact coordinators will oversee and track vehicle and driver activity while TNC is waiting to load their

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>
<b>Airport operations (cont.)</b>		<p>customers.</p> <p>TNCs are not allowed to stage or pickup at the terminal curb</p> <p>TNCs shall not allow their drivers to negatively impact or impede traffic flow in or out of airport roadways and parking facilities, congregate on airport access roadways or off-airport parking areas outside the geo-fence or in any way allow their drivers obstruct airport access within a 2 mile radius of the airport.</p>
<b>TNC Vehicle and Driver Identification</b>	<p>Electronic waybill (PUC requirement)</p> <p>Trade dress (PUC requirement)</p> <p>SFO electronic placard (removable) which the TNC issues to the driver/vehicle</p> <p>Vehicle and driver identification requirements subject to change</p>	<p>Electronic waybill (PUC requirement) to be shown to law enforcement or airport representatives when requested.</p> <p>Trade dress (PUC requirement)</p> <p>SDIA electronic placard (removable) which the TNC issues to the driver/vehicle</p> <p>Vehicle and driver identification requirements subject to change</p>
<b>10 year age restriction</b>	<p>No SFO TNC Permit terms and conditions</p>	<p>TNC will attest in writing that no TNC vehicle servicing the airport exceeds the ten (10) year age limit restriction</p>
<b>AGMOU AFV/CAV conversion program</b>	<p>No SFO TNC Permit terms and conditions</p>	<p>TNC is subject to the SDIA vehicle conversion requirements. Vehicles complying with the conversion requirements will be granted a trip fee incentive, those that do not comply will be charged the premium.</p>
<b>Airport trip tracking and charges</b>	<p>TNC geo-fence</p> <p>Unique driver identifiers and license plate nos.</p> <p>Airport “ping system” with tracking triggers at airport entry, passenger pick up and airport exit</p> <p>Monthly reports with periodic audits</p> <p>TNC trip charges of \$3.50 for each pickup and \$3.50 for each drop off is assessed monthly.</p>	<p>Airport TNC parking coordinators will collect and tally Airport parking tickets (interim) to determine TNC airport trips.</p> <p>TNC geo-fence and the SFO “ping system” will be licensed to provide tracking triggers at airport entry, passenger pick up and airport exit.</p> <p>Unique driver identifiers and license plates will be used.</p> <p>Monthly reports with periodic audits in a format acceptable to the Airport will be provided (See Monthly Reports)</p> <p>TNC trip charges of \$0.97 for AFV/CAV, \$1.62 for non AFV/CAV through 6/30/15 have been established; the FY16 trip fees will be set during the FY16 budget process).</p>

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>
<b>Prohibited Activities</b>	<p>Following activities are prohibited</p> <ul style="list-style-type: none"> <li>(a) Turning off or disabling the TNC app when a TNC Vehicle is on Airport property.</li> <li>(b) Operation of a TNC Vehicle on Airport roadways by an unauthorized driver;</li> <li>(c) Transporting a TNC passenger in an unauthorized vehicle;</li> <li>(d) Picking up or discharging passengers or their baggage at any terminal level or location other than the Designated Areas;</li> <li>(e) Leaving a vehicle unattended;</li> <li>(f) Failing to maintain TNC vehicle interior and exterior in a clean condition;</li> <li>(g) Littering on the Airport;</li> <li>(h) Failing to provide information or providing false information to law enforcement or Airport personnel;</li> <li>(i) Operating a TNC Vehicle without the Trade Dress and Placard;</li> <li>(j) Soliciting passengers on Airport property;</li> <li>(k) Recirculating on Airport roadways;</li> <li>(l) Using or possessing any alcoholic beverage or dangerous drugs or narcotic while on Airport roadways;</li> <li>(m) Failing to operate a TNC Vehicle in a safe manner as required by the California Vehicle Code;</li> <li>(n) Failing to comply with posted speed limits and traffic control signs;</li> <li>(o) Using profane or vulgar language in the presence of any member of the public;</li> <li>(p) Soliciting for or on behalf of any hotel, motel, club, nightclub or other business;</li> <li>(q) Soliciting of any activity prohibited by the California Penal Code;</li> <li>(r) Operating a vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment as defined in the California Vehicle Code and the California Bureau of Automotive Repair;</li> <li>(s) Disconnecting any pollution control equipment;</li> <li>(t) Double parking on Airport roadways;</li> <li>(u) Operating a vehicle without CPUC certification or at any time during which Permittee’s CPUC authority is suspended or revoked;</li> <li>(v) Engaging in any criminal activity.</li> </ul>	<p>Following activities are prohibited</p> <ul style="list-style-type: none"> <li>(a) Turning off or disabling the TNC app when a TNC Vehicle is on Airport property.</li> <li>(b) Operation of a TNC Vehicle on Airport roadways by an unauthorized driver;</li> <li>(c) Transporting a TNC passenger in an unauthorized vehicle;</li> <li>(d) Picking up or discharging passengers or their baggage at any terminal level or location other than the Designated Areas;</li> <li>(e) Leaving a vehicle unattended;</li> <li>(f) Failing to maintain TNC vehicle interior and exterior in a clean condition;</li> <li>(g) Littering on the Airport;</li> <li>(h) Failing to provide information or providing false information to law enforcement or Airport personnel;</li> <li>(i) Operating a TNC Vehicle without the Trade Dress and Placard;</li> <li>(j) Soliciting passengers on Airport property;</li> <li>(k) Recirculating on Airport roadways;</li> <li>(l) Using or possessing any alcoholic beverage or dangerous drugs or narcotic while on Airport roadways;</li> <li>(m) Failing to operate a TNC Vehicle in a safe manner as required by the California Vehicle Code;</li> <li>(n) Failing to comply with posted speed limits and traffic control signs;</li> <li>(o) Using profane or vulgar language in the presence of any member of the public;</li> <li>(p) Soliciting for or on behalf of any hotel, motel, club, nightclub or other business;</li> <li>(q) Soliciting of any activity prohibited by the California Penal Code;</li> <li>(r) Operating a vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment as defined in the California Vehicle Code and the California Bureau of Automotive Repair;</li> <li>(s) Disconnecting any pollution control equipment;</li> <li>(t) Double parking on Airport roadways;</li> <li>(u) Operating a vehicle without CPUC certification or at any time during which TNC CPUC authority is suspended or revoked;</li> <li>(v) Engaging in any criminal activity.</li> </ul>

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>																					
<b>Permit Activation Fee</b>	<p>Permittee shall pay a Permit Activation Fee of either (a) an amount representing actual unpaid per trip fees during the Unpermitted Operations Period; or (b) the flat rate of \$100,000.</p>	<p>TNC shall pay a Permit Activation Fee based on the estimated percentage of Airport trips (costs estimated through the Permit Pilot Program end date) covering the expenses associated with airport enforcement and administrative personnel, electronic vehicle tracking system software licensing fees and driver background and fingerprinting checks audited by the Airport. The Permit Activation Fee for each TNC:</p> <table border="1" data-bbox="971 709 1437 926"> <thead> <tr> <th><u>TNC</u></th> <th><u>% of Trips</u></th> <th><u>Est. Cost</u></th> </tr> </thead> <tbody> <tr> <td>UBER</td> <td>33%</td> <td>\$70,980</td> </tr> <tr> <td>LYFT</td> <td>24%</td> <td>\$52,052</td> </tr> <tr> <td>SIDECAR</td> <td>16%</td> <td>\$33,124</td> </tr> <tr> <td>WINGZ</td> <td>11%</td> <td>\$23,660</td> </tr> <tr> <td>RAPID</td> <td>9%</td> <td>\$18,928</td> </tr> <tr> <td>OPOLI</td> <td>7%</td> <td>\$14,196</td> </tr> </tbody> </table> <p>Permit Activation Fees will be paid upon submittal of the TNC application. Fee payments will be placed in an escrow account and drawn against to cover the above Pilot Program expenses or any other expenses incurred as part of the Pilot Program. Expenses exceeding the estimate will be paid prior to the next permit period. Expenses below the estimate will be refunded to the TNC.</p>	<u>TNC</u>	<u>% of Trips</u>	<u>Est. Cost</u>	UBER	33%	\$70,980	LYFT	24%	\$52,052	SIDECAR	16%	\$33,124	WINGZ	11%	\$23,660	RAPID	9%	\$18,928	OPOLI	7%	\$14,196
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<b>Audits and Inspections</b>	<p>At any time, the City may conduct an inspection or audit of Permittee's operations at the Airport to confirm that such operations comply with the requirements set forth in the Permit.</p>	<p>At any time, the Airport may conduct an inspection or audit of TNC's operations at the Airport to confirm that such operations comply with the requirements set forth in the Permit.</p>																					
<b>Deposit</b>	<p>Amount of Deposit. Upon execution of this Permit, Permittee will deliver to Director a security deposit (the "Deposit") equal to the minimum Deposit amount specified in the Permit Application. The Director may, at his sole discretion, adjust the Deposit amount at any time after three months from the date the Permit is issued to establish a Deposit amount approximately equal to two months of the Monthly Permit Fee.</p>	<p>Amount of Deposit. Upon execution of this Permit, TNC will deliver to the President/CEO a security deposit (the "Deposit") equal to the minimum Deposit amount specified in the Permit Application. The President/CEO may, at her sole discretion, adjust the Deposit amount at any time after three months from the date the Permit is issued to establish a Deposit amount approximately equal to two months of the Monthly Permit Fee.</p>																					

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>
<b>Deposit (cont.)</b>	<p>Form of Deposit. Such Deposit shall be in the form of: (a) a surety bond payable to City, naming City as obligee, and otherwise in form satisfactory to the City Attorney, and issued by a surety company satisfactory to Director; or (b) a letter of credit naming City as beneficiary, and otherwise in form satisfactory to the City Attorney, issued by a bank satisfactory to Director. With Director’s consent, Permittee shall be permitted to submit as a Deposit a treasury bond.</p> <p>Use of Deposit. If Permittee fails to pay a Monthly Permit Fee or otherwise defaults with respect to any provision of this Permit, City may use, apply or retain all or any portion of the Deposit for the payment of a Monthly Permit Fee or other charge in default or for the payment of any other sum to which City may become obligated by reason of Permittee’s default or to compensate City for any loss or damage which City may suffer thereby</p>	<p>Form of Deposit. Such Deposit shall be in the form of: (a) a surety bond payable to Airport, naming Airport as obligee, and otherwise in form satisfactory to the Airport’s General Counsel and issued by a surety company satisfactory to President/CEO; or (b) a letter of credit naming Airport as beneficiary, and otherwise in form satisfactory to the Airport’s General Counsel, issued by a bank satisfactory to President/CEO. With President/CEO’s consent, TNC shall be permitted to submit as a Deposit a treasury bond.</p> <p>Use of Deposit. If TNC fails to pay a Monthly Permit Fee or otherwise defaults with respect to any provision of this Permit, Airport may use, apply or retain all or any portion of the Deposit for the payment of a Monthly Permit Fee or other charge in default or for the payment of any other sum to which Airport may become obligated by reason of TNC’s default or to compensate Airport for any loss or damage the Airport may suffer.</p>
<b>Monthly Reports</b>	<p>Within fifteen (15) calendar days of the close of any calendar month, Permittee shall submit to the City its operations report for the previous calendar month. The monthly report shall be in an agreed-upon electronic format and shall include for each date of operations and for each trip (a) license plate number of the TNC vehicle and (b) time of entry into and exit from Airport property. The monthly report shall also include the total number of trips for the reporting period.</p>	<p>Within fifteen (15) calendar days of the close of any calendar month, TNC shall submit to the Airport its operations report for the previous calendar month. The monthly report shall be in an agreed-upon electronic format and shall include for each date of operations and for each trip (a) license plate number of the TNC vehicle and (b) time of entry into and exit from Airport property. The monthly report shall also include the total number of trips for the reporting period.</p>
<b>Compliance with Americans With Disabilities Act</b>	<p>Permittee acknowledges that pursuant to the ADA, programs, services and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. Permittee shall provide the services specified in this Permit in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Permittee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided</p>	<p>TNC acknowledges that all programs, services and other activities at SDIA must be accessible to the disabled public. TNC shall provide the services specified in this Permit in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. TNC agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this</p>

<b>TNC Permit terms &amp; conditions</b>	<b>San Francisco International Airport (SFO)</b>	<b>San Diego International Airport (SDIA)</b>
<b>Compliance with Americans With Disabilities Act (cont.)</b>	under this Permit and further agrees that any violation of this prohibition on the part of Permittee, its employees, agents or assigns shall constitute a material breach of this Permit.	Permit and further agrees that any violation of this prohibition on the part of TNC, its employees, agents or assigns shall constitute a material breach of this Permit.
<b>Driver training</b>	TNC responsible to provide training on Airport's Rules and Regulations	TNC responsible to provide training on Airport's Rules and Regulations
<b>Notice to Drivers</b>	TNC responsible to communicate current and changed permit conditions promptly and notify the Airport in writing.	TNC responsible to communicate current and changed permit conditions promptly and notify the Airport in writing.
<b>TNC Representative and Duties</b>	Permittee shall provide Airport with name, address, telephone and email address for at least one qualified representative authorized to represent and act for it in matters pertaining to its operation, and shall keep Director informed in writing of the identity of each such person.	<p>TNC shall provide Airport with name, address, telephone and email address for at least one qualified representative authorized to represent and act for it in matters pertaining to its operation, and shall keep President/CEO informed in writing of the identity of each such person.</p> <p>Should the Airport or any of its representatives issue notice to the TNC (either verbally or in writing) of a permit noncompliance or violation, the TNC shall respond within one business day as to the corrective action. TNC drivers and vehicles found violating the terms of this permit shall be "deactivated" immediately from providing TNC services at the Airport.</p>

**Page 19 of 19**

**Fiscal Impact:**

The incremental revenue generated from FY 2015 trip fees paid by the Transportation Network Companies under the pilot program is expected to be nominal. Future fee amounts will be determined as part of the FY 2016 budget process.

The Transportation Network Companies will be assessed a startup / permit activation fee of approximately \$213K to cover initial startup, administration and technology upgrade costs. These costs are not included the FY 2015 budget but will be absorbed through other Authority budget savings. Expenses that will impact budget years that have not been adopted by the Board will be included in future year 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:**

DAVID BOENITZ  
DIRECTOR, GROUND TRANSPORTATION



## INSTRUCTIONS FOR SUBMITTING AN APPLICATION FOR A NON-EXCLUSIVE PILOT PROGRAM PERMIT TO OPERATE TRANSPORTATION NETWORK COMPANY (TNC) VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT

TNC entities seeking to operate TNC vehicle(s) at San Diego International Airport (“Airport”) must submit the following items prior to the Authority issuing of a permit:

	Applicant Checklist	SDCRAA USE
1. <b>Attachment 1:</b> Permittee Information		
2. <b>Attachment 1 A-D:</b> Applicable Business Entity Information		
3. <b>Attachment 2:</b> Signed Permit (With all Exhibits Completed) (two (2) copies)		
<b>Exhibit A:</b> Permittee’s Vehicle Listing		
<b>Exhibit B:</b> Permittee’s Driver Listing		
Insurance Certificate and Endorsement Form listing SDCRAA as an “Additional Insured” (See <b>Article 14</b> for Insurance Requirements)		
<b>Exhibit C:</b> Signed Statement of Waiving Workers’ Compensation (if applicable)		
<b>Exhibit D:</b> Vehicle Maintenance Inspection Form		
<b>Exhibit E:</b> ADA Services Compliance Plan (if applicable)		
<b>Exhibit F:</b> TNC Passenger Waiting and Pickup areas		
4. Copy Transportation Network Company Certificate		
5. Sample Waybill (copy) or Electronic (printed)		
6. Check or Money Order Payable to: SDCRAA (credit cards accepted)		

**Submitting Your Information**

Mailing Address:

San Diego County Regional Airport Authority  
Ground Transportation Department  
P.O. Box 82776  
San Diego, CA 92138-2776

Overnight or Hand-Delivered Mail:

San Diego County Regional Airport Authority  
Ground Transportation Department  
Commuter Terminal- 3rd Floor  
3225 North Harbor Drive  
San Diego, CA 92101

**Contact Us**

Contact the San Diego County Regional Airport Authority, Ground Transportation Department at (619) 400-2685 with any questions.

**Authorization & Acknowledgement**

The undersigned authorizes the San Diego County Regional Airport Authority (“Authority”) to make any inquiry or investigation it believes necessary to verify or augment all information furnished in connection with seeking a non-exclusive permit to operate a TNC Vehicle at the Airport and authorizes others to release to the Authority any and all information the Authority believes necessary to conduct its investigation. The undersigned certifies under penalty of perjury under the laws of the State of California that all information furnished is true and correct to the best of his or her knowledge.

\_\_\_\_\_  
Signature of Authorized Agent

\_\_\_\_\_  
Printed Name & Title

\_\_\_\_\_  
Date

**Submitting your information does not authorize you to conduct commercial operations at the Airport. No permit or authorization shall be issued or considered valid until you receive written notice from the Authority stating your permit is complete and valid.**

**APPLICATION FOR NON-EXCLUSIVE PERMIT TO OPERATE TNC  
VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT**

**ATTACHMENT 1: PERMITTEE INFORMATION**

Business Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

Check here if business address is same as above

Business Address: \_\_\_\_\_

\_\_\_\_\_

Contact Name: \_\_\_\_\_

Business Phone: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Mobile Phone: \_\_\_\_\_ Email Address: \_\_\_\_\_

Business Entity: \_\_\_\_\_

If your business entity has changed, please mark the appropriate entity below and complete the corresponding attachment with updated information:

- Sole Proprietorship: Complete Attachment 1-A
- Partnership: Complete Attachment 1-B
- Limited Liability Partnership (LLP): Complete Attachment 1-B
- Limited Liability Company (LLC): Complete Attachment 1-C
- Corporation Complete Attachment 1-D

The following persons have the authority to conduct business with the Authority on the applicant's behalf:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPLICATION FOR A NON-EXCLUSIVE PERMIT TO OPERATE TNC  
VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT**

**ATTACHMENT 1-A: SOLE PROPRIETORSHIP INFORMATION**

1. Date Applicant first began business operations:

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2. Has Applicant operated any other businesses as a sole proprietorship under a different name in the past 5 years?

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If yes, please list all other businesses operated and the dates of operation:

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**APPLICATION FOR A NON-EXCLUSIVE PERMIT TO OPERATE TNC  
VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT**

**ATTACHMENT 1-B: PARTNERSHIP (GENERAL/LIMITED) INFORMATION**

- 1. Date of Organization: \_\_\_\_\_
- 2. General Partnership  Limited Liability Partnership
- 3. Name, Title address and phone number each managing partner. If a managing partner is another partnership, a corporation or a limited liability company (LLC), please complete separate pages as appropriate, for such entity.

Managing Member(s):

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

# APPLICATION FOR A NON-EXCLUSIVE PERMIT TO OPERATE TNC VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT

## ATTACHMENT 1-C: LIMITED LIABILITY COMPANY INFORMATION

LLC Name: \_\_\_\_\_  
 Date of Organization: \_\_\_\_\_  
 Where Organized: \_\_\_\_\_  
 Business Entity Number: \_\_\_\_\_  
 Agent for Service of Process:  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_

Is the Company authorized to do business in California?

Yes

No

- Name, address and membership share held by each manager and officer. If a member is a partnership, corporation, or another LLC, please complete separate pages, as appropriate, for each entity.

Managing Member(s), Officers and members over 10%:

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_

Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 Phone: \_\_\_\_\_

**APPLICATION FOR A NON-EXCLUSIVE PERMIT TO OPERATE TNC  
VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT**

**ATTACHMENT 1-D: CORPORATION INFORMATION**

1. Corporate Name? \_\_\_\_\_

2. Date Incorporated? \_\_\_\_\_

3. City and State Incorporated? \_\_\_\_\_

4. Business Entity Number: \_\_\_\_\_

5. Agent for Service of Process:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

6. Is the corporation authorized to do business in California?

Yes

No

7. Please provide the name, title, address and phone number for each corporate officer and any stock holder owning more than 10% of any class of stock:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Phone: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_

Name: \_\_\_\_\_  
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Phone: \_\_\_\_\_

Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone: \_\_\_\_\_

Any partnership, corporation or LLC holding more than 10% of any class of stock or membership interest must also complete separate pages, as appropriate, for each entity. If there is an ownership chain of additional partnerships, corporations or LLCs, the above requirements extend to each such entity having either: (1) a 10% or greater direct, indirect or beneficial ownership interest or membership interest in the primary Company; or (2) effective control of the primary Company regardless of the percentage of ownership or membership interest.

## NON-EXCLUSIVE PERMIT TO OPERATE TNC VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT

This NON-EXCLUSIVE PERMIT, is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 201\_\_\_\_, by and between the SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY (“Authority”), a local governmental entity of regional government, and \_\_\_\_\_ a \_\_\_\_\_ (“Permittee”) (Authority and Permittee are collectively referred to as “Parties”).

### WITNESSETH

**WHEREAS**, the San Diego Unified Port District (“District”) is the trustee of certain tidelands owned by the State of California, including San Diego International Airport at Lindbergh Field (“Airport”), located in the City of San Diego, California; and

**WHEREAS**, the San Diego County Regional Airport Authority Act (“Act”) established Authority with the exclusive power and authority to oversee the establishment, operation and coordination of airport facilities within the County of San Diego, as well as to study, plan and implement any improvements, expansions, or enhancements at existing or future airports within its control; and

**WHEREAS**, pursuant to the Act, District and Authority entered into a ground lease (“Master Lease”) dated December 17, 2002, bearing Authority’s Document No. AA-0008, whereby District leased to Authority the Airport and other real property related thereto; and

**WHEREAS**, Authority Code §8.41 makes it unlawful for any person or entity to engage in a business or commercial activity on the Airport without the appropriate grant, franchise, certificate, or permit issued by the Authority; and

**WHEREAS**, Permittee is a Transportation Network Company (“TNC”) licensed by the California Public Utilities Commission;

**WHEREAS**, Authority has determined that it will provide certain facilities and services at the Airport to allow authorized TNC operators to pick up and transport passengers from the Airport; and

**WHEREAS**, Permittee desires to derive financial benefit by operating one or more TNC Vehicles to transport passengers from the Airport; and

**WHEREAS**, Permittee has requested Authority authorize the vehicles identified in “Exhibit A” to this Permit to operate at the Airport by picking up Airport Passengers and to use certain support facilities and services at the Airport for such purpose; and

**WHEREAS**, Permittee, in consideration of Authority granting Permittee authorization to operate at the Airport the vehicles identified in “Exhibit A” and to use Airport roadways and certain support facilities and services at the Airport, agrees to conduct its services at the Airport in accordance with the terms and conditions in this Permit.

**NOW, THEREFORE**, Authority, for the consideration and upon the terms and conditions herein set forth, grants Permittee, the non-exclusive right to operate the TNC Vehicles identified in “Exhibit A” on the Airport for the purpose of picking up and transporting Airport Passengers.

**ARTICLE 1 – DEFINITIONS.** The following words and phrases when used in this Permit shall have the following meanings:

- 1.1 **Airport:** the San Diego International Airport, Lindbergh Field.
- 1.2 **Airport Passenger:** any individual who hires or enters a Permitted TNC Vehicle operated by Permitted TNC Driver pursuant to this Permit who is providing TNC Services from the Airport.
- 1.3 **Airport Placard:** the document issued by the Authority's Ground Transportation Department which is visible and prominently displayed on the vehicle's dashboard to positively identify the Permitted TNC vehicle and the Permitted TNC Driver.
- 1.4 **Airport's Geo-Fence,** an electronic perimeter of the Airport comprised of one or more polygons whose points are geographic coordinates as defined and verified by the Authority and under the Permittee's management. Permitted TNC Vehicle tracking shall be established as follows: 1) vehicle entrance onto Airport property including the Airport's cell phone lot; 2) vehicle exit from Airport property; and 3) passenger drop off. Consistent with the auditing provisions in this Permit, the Authority may periodically audit Permittee's records with respect to its TNC geo-fence and operations on the Airport. For the term of this Permit, all such audits shall take place in Permittee's local San Diego office.
- 1.5 **Clean Air Vehicle/Alternative Fuel Vehicle (CAV/AFV):** a vehicle that runs on an energy source, fuel or blend of fuels that achieves a reduction of at least ten percent (10%) carbon intensity relative to petroleum fuel, identified in Governor Schwarzenegger's Executive Order S-01-07, or a vehicle that meets the criteria for a low-emission vehicle as set forth in the California Vehicle Code § 5205.5, Special Identification; Ultra-Low Emission Vehicles; Use of Preferential Access Lanes.
- 1.6 **Application:** the Application for Non-Exclusive Permit to Operate Charter Vehicle at San Diego International Airport that Permittee completed and lodged with the Authority prior to the issuance of this Permit, as updated by Permittee from time to time in accordance with the requirements specified in this Permit and by Authority.
- 1.7 **Authority:** the San Diego County Regional Airport Authority.
- 1.8 **Authority-related Personnel:** the Board, officers, officials, directors, employees, agents, representatives and volunteers of the Authority.
- 1.9 **Automatic Vehicle Identification (AVI) Transponder:** a device that provides automatic tracking and counting of vehicles at the Airport.
- 1.10 **Compensation:** any money, thing of value, payment, consideration, reward, tip, donation, gratuity or profit paid to, accepted, or received by the Permitted TNC Driver of any vehicle in exchange for transportation of a person, or persons; whether paid upon solicitation, demand or contract, or voluntarily, or intended as a gratuity or donation.

- 1.11 **CPUC:** the California Public Utilities Commission.
- 1.12 **CPUC Decision:** The September 23, 2013 decision (13-09-045) by the CPUC regulating TNCs as charter party carriers. The Decision, as may be amended (November 20, 2014, Decision 14-11-043) or supplemented, is incorporated here by reference as if set forth in full.
- 1.13 **Designated Areas:** The Authority's selected and designated TNC passenger pickup areas. Permitted TNC Drivers shall only use the location(s) specified by the Airport to conduct TNC services.
- 1.14 **Permit:** this Non-exclusive Permit to operate TNC vehicles and operations at the Airport.
- 1.15 **Permittee:** the TNC carrier defined on Page 1 of this Permit, and any employees, representatives and other agents of Permittee that has been issued a TNC Permit to operate in the State of California and that is a signatory to this Permit.
- 1.16 **Permitted TNC Driver:** an individual approved by the TNC Permittee to use his/her privately-owned vehicle to transport passengers whose rides are arranged through the TNC online-enabled application. This individual shall be properly permitted by the Authority and identified in the most current "Exhibit B" to this Permit that Permittee has lodged with the Authority and that is authorized pursuant to the terms and conditions of this Permit to pick up and transport Airport passengers.
- 1.17 **Permitted TNC Vehicle:** a TNC Vehicle that is authorized by Permittee and identified in the most current "Exhibit A" to this Permit that Permittee has lodged with the Authority and that is authorized pursuant to the terms and conditions of this Permit to pick up and transport Airport Passengers.
- 1.18 **President/CEO:** the President/CEO of San Diego County Regional Airport Authority or his/her designee.
- 1.19 **"Providing TNC Services":** TNC services for Airport pickup are defined with three periods: Period One is: App open – waiting for a match. Period Two is: Match accepted – but passenger not yet picked up (i.e., Permitted TNC Driver is on his/her way to pick up the passenger). Period Three is: Passenger in the vehicle and until the passenger safely exits vehicle. The TNC app shall be open when the TNC vehicle enters the Airport's property and shall remain on throughout the three periods.
- 1.20 **Rules and Regulations:** all rules and regulations of Authority, including but not limited to, the "San Diego International Airport Rules and Regulations", "Code of the San Diego County Regional Airport Authority", "Policies of the San Diego County Regional Airport Authority", and any new, modified or additional rules and regulations, which the Authority now or hereafter enacts, and as may be amended from time to time. The "San Diego International Airport Rules and Regulations" may be found on the Authority's website at [http://www.san.org/documents/airport\\_rules\\_regulations.pdf](http://www.san.org/documents/airport_rules_regulations.pdf), the "Code of the San Diego County Regional Airport Authority" may be found at: [http://www.san.org/sdcraa/about\\_us/codes\\_policies.aspx](http://www.san.org/sdcraa/about_us/codes_policies.aspx) and the "Policies of the San

Diego County Regional Airport Authority” may be found at [http://www.san.org/sdcraa/about\\_us/codes\\_policies.aspx](http://www.san.org/sdcraa/about_us/codes_policies.aspx).

- 1.21 **Trade Dress:** 1) the corporate logo, distinctive signage or display on the vehicle used when providing TNC services that is sufficiently large and color contrasted as to be readable during daylight hours at a distance of at least fifty (50) feet. The trade dress shall be sufficient to allow a passenger, government official, or member of the public to associate a vehicle with a particular TNC (or licensed transportation provider). Acceptable forms of trade dress include, but are not limited to, symbols or signs on vehicle doors, roofs, or grills. Magnetic or removable trade dress is acceptable. TNC shall file a photograph of its trade dress with the Authority’s Ground Transportation Department. 2) the designated Trade Dress Location shall be readily visible to the Airport’ Traffic Officers (“ATOs”) or Airport representatives and must be approved by the Authority’s Ground Transportation Director or his/her designee prior to Permittee commencing operations at the Airport; and 3) Trade dress must be removed from the vehicle should the Permitted TNC Driver not be providing TNC services.
- 1.22 **Transportation Network Company (“TNC”):** 1) an organization, whether a corporation, partnership, sole proprietor, or other form, operating in California that provides prearranged transportation services for compensation using an online-enabled application (“app”) or platform to connect passengers with drivers using their personal vehicles; 2) are Charter Party Carriers and must have a class P permit issued by the CPUC; 3) is not permitted to own vehicles used in its operations or to own its own fleet(s) of vehicles; 4) is required to ensure public safety, including performing criminal background checks and California Department of Motor Vehicle checks on all drivers and a 19 point vehicle inspection on all vehicles its drivers use to perform TNC services; 5) must maintain commercial liability insurance as prescribed by the CPUC decision.
- 1.23 **Trip:** each instance in which one of Permittee’s vehicles enters and exits the Airport roadway system for Providing TNC services.
- 1.24 **Trip Fee:** An Authority imposed airport fee for the privilege of providing commercial vehicle transportation services at the Airport and to recover the costs the Authority expends to provide the services, benefits and capital improvements related to and used in Providing TNC Services..
- 1.25 **Vehicle Identification Decal:** the decal issued by the Authority that Permittee is to affix to the windshield on each Permitted TNC Vehicle submitted by the Permittee and authorized by this Permit to provide TNC Services at the Airport.
- 1.26 **Waybill:** the TNC Vehicle operator’s document, as defined by the PUC, either electronic or in hard copy, containing, but not limited to, the operator’s TCP number, Permitted TNC Driver’s name, vehicle number, passenger name(s), number of persons in party, location of pick up, and airline and flight number on which the passenger(s) arrived or will arrive.

**ARTICLE 2 - TERM OF PERMIT.** This Permit shall be effective [March 1, 2015](#) and expire [December 31, 2015](#), unless suspended, revoked or terminated sooner in accordance with the terms of this Permit.

- 2.1 **Commencement Date.** This Permit shall be effective, and the “Commencement Date” shall be deemed to occur, on the date on which all of the following conditions and precedents are satisfied, in President/CEO’s sole discretion.
- 2.1.1 The Authority’s Ground Transportation Department has received all necessary and sufficient insurance certificates or documents evidencing that Permittee has obtained the necessary insurance required by this Permit.
- 2.1.2 The Authority’s Ground Transportation Department has received the Deposit (as defined in Section 13.1) in the amount determined by the President/CEO.
- 2.1.3 The Permittee has instructed each Permitted TNC Driver regarding the terms of this Permit, including, but not limited to the requirement that Permitted TNC Driver shall comply with Airport Rules and Regulations and that the Airport’s Rules and Regulations shall be made available by Permittee to the Permitted TNC Drivers.
- 2.1.4 The Permittee has filed with the Authority, and obtained the President/CEO’s approval of Permittee’s Class P Transportation Network Company Certificate for operation as a TNC currently as authorized by the CPUC, and complied with the requirements set forth in Article 3 of this Permit. To the extent the President/CEO shall have conditioned his or her approval on these items, such conditions shall be incorporated herein and Permittee shall abide by such conditions.
- 2.1.5 The Authority’s Ground Transportation Department shall have received two (2) duplicate originals of this Permit, fully-executed by Permittee and the Authority’s President/CEO.
- 2.2. **Permit Term.** This Permit shall remain in effect until 11:59 p.m., on December 31, 2015. Permit renewal is at the sole discretion of the President/CEO. In no event shall a Permit be renewed unless and until all fees owing to the Authority by the Permittee and its Permitted TNC Drivers have been paid in full.
- 2.3 **Revocation; Termination.** This Permit may be revoked or mutually terminated as follows:
- 2.3.1 This Permit is revocable at any time, in the sole and absolute discretion of the President/CEO. Such revocation shall be accomplished by giving thirty (30) days’ prior written notice to Permittee. Notwithstanding the foregoing, the President/CEO may also terminate this Permit upon the occurrence of an Event of Default (as defined in Article 7 below) without such 30-day notice.
- 2.3.2 Permittee may terminate this Permit by giving thirty (30) days’ prior notice to the Authority.

**ARTICLE 3 – USE, CONDITIONS, AND RESTRICTIONS.**

- 3.1 **Use.** Subject to the terms and conditions of this Permit, Authority grants Permittee the non-exclusive right to operate the Permitted Vehicle(s) identified in “Exhibit A” at the Airport for the purpose of picking up and transporting passengers from the Airport for compensation. The rights granted by this Permit do not establish or vest in Permittee any right to preferential use of Airport facilities.
- 3.1.1 This Permit is issued pursuant to the Authority’s Pilot Program commencing (expected) March 1, 2015 through December 31, 2015, to evaluate, verify and refine the TNC Permit and operations. During this Pilot Program the Airport will issue a maximum of 240 TNC Vehicle Permits and 240 TNC Driver Permits, which will be evenly distributed among all applying TNCs. The total number of TNC permits revised or changed by approval of the President/CEO or designate at any time. The commencement date is contingent upon: 1) the President/CEO shall have received the specified documents evidencing that Permittee has obtained all insurance required by this Permit; 2) President/CEO shall have received the Deposit (as defined in Section 13.1), in the amount determined by the President/CEO; 3) Permittee shall have instructed each Permitted TNC Driver regarding the terms of this Permit, including, but not limited to the requirements that Permitted TNC Drivers operating at the Airport shall comply with the Airport’s Rules and Regulations, which shall be made available by the Permittee to its Permitted TNC Drivers; 4) Permittee shall have filed with the Airport and obtained the President’s/CEO’s approval of Permittee’s PUC TNC Certificate for operation as a TNC currently authorized by the CPUC and complied with the requirements set forth in Articles 3 and 5 of this Permit. To the extent the President/CEO shall have conditioned his/her approval on these items, such conditions shall be incorporated herein and Permittee shall abide by such conditions; 5) Permittee shall have filed with the President/CEO all items listed in Section 2.1 of this Permit; and 6) President/CEO shall have received two (2) duplicate originals of the Permit, fully-executed by Permittee.
- 3.1.2 Permittee’s Permitted TNC vehicles are allowed to pick up at the Airport provided they comply with all Airport Codes, Rules, Regulations, and Permit requirements. Permitted TNC Drivers are allowed to provide TNC Services provided they comply with all Airport Codes, Rules, Regulations and Permit requirements. Permitted TNC Drivers must immediately exit the Airport premises after pick up or in the event a prospective TNC customer cancels the pickup reservation.. Pick up locations will be designated by the President/CEO or designee (Exhibit F) and shall be the only location the TNC may pick up TNC customers.. TNCs found operating in non-designated areas shall have their vehicle and driver permits suspended or revoked.
- 3.1.3 All TNC Vehicles awaiting a passenger match shall only stage in the designated area (Exhibit F) and ensure the approved TNC trade dress and Airport Placard are correctly displayed. TNC vehicles may only enter Airport terminal roadways if a ride request has been accepted from a TNC customer at the Airport. Use of the designated staging area shall be limited to fifteen (15) minutes or the posted time

limits, whichever period is shorter. No TNC vehicle shall stage, wait or park in any other areas of the Airport other than the designated waiting and pickup areas nor shall TNC vehicles loop around terminal roadways while waiting for a passenger pick up.

- 3.1.4 For retrieval of lost property and complaints by passengers, Permittee shall maintain a local business office with a local telephone number on file with the Authority. A local TNC business number with 7 day a week, 24 hours a day response must also be maintained and on file with the Authority.
- 3.1.5 Permittee shall provide the Authority with a current plan for ADA compliance and passenger service standards. Accommodations shall be made for passengers that are visually-impaired or who are traveling with a service animal. This plan shall be updated annually.
- 3.1.6 Permittees and Permitted TNC drivers and their vehicles shall at all times comply with the Airport's Rules and Regulations.
- 3.1.7 The Authority's Ground Transportation Department shall be notified within twenty-four (24) hours after a "surge price" has been charged at the Airport.
- 3.1.8 Permits are not transferable and must be surrendered to the Authority's Ground Transportation Department when the Permittee ceases operations at the Airport.
- 3.1.9 Permittee shall promptly notify Permitted TNC Drivers of any and all current and changed Permit requirements found in this application and shall promptly notify the Airport in writing, that it has done so. Further, each time an individual Permitted TNC Driver fails to comply with the conditions of this Permit, whether such failure is discovered by the Permittee or brought to the Permittee's attention by the Authority, Permittee shall promptly notice such Permitted TNC driver, direct the TNC driver to immediately come into compliance, and TNC shall promptly notify the Authority in writing that it has done so.
- 3.1.10 In the event the President/CEO determines, in his/her sole discretion, to suspend Permittee's passenger pick up privileges at Airport, Permittee shall promptly effect this prohibition through its application technology, such as by blocking out Airport property as a location available for pick-up or taking other steps as necessary to inform its drivers and TNC customers of the prohibition.
- 3.1.11 TNC drivers must be prepared to present either a paper or electronic waybill to any law enforcement officer, Airport Traffic Officer ("ATO") or other Authority representative upon request. The waybill shall include the unique identifier number and license plate number of the vehicle and driver performing the TNC service. The electronic waybill must comply with the CPUC Decision and shall include a photograph of the TNC Driver, a photograph of the TNC Vehicle including the license plate number and information regarding the pick-up location of the most recent passenger.

3.2 **Use Limitations and Restrictions.** Permittee's right to operate Permitted vehicles at the Airport shall be subject to the following conditions and restrictions:

3.2.1 Permittee shall be compliant with the CPUC Decision, including amendments and modifications, and all state and local statutes and regulations

3.2.2 Permittee shall take all necessary actions to ensure Permitted TNC Vehicles do not obstruct or interfere with the rights of others using any part of the Airport.

3.2.3 Permittee shall not cause or permit to occur upon any portion of the Airport any illegal waste, any public or private nuisance, or any other act or thing which may disturb the quiet enjoyment of any other tenant, licensee, invitee, or person using or occupying any portion of the Airport.

3.2.4 Permittee shall not allow any Permitted TNC Driver to solicit business or engage in any manner of solicitation of business except as may be expressly permitted in writing by the Authority.

3.2.5 Permittee shall ensure that all Permitted TNC Drivers and their Permitted TNC Vehicles comply with all applicable laws and Airport Rules and Regulations while operating at the Airport.

3.2.6 Permittee shall ensure its Permitted TNC Vehicles are operated in accordance with the terms and conditions of this Permit and in accordance with the directions and operating procedures issued by the Authority or as designated at the designated curbside locations.

3.2.7 This Permit is issued to the Permittee. Permittee may not assign, transfer, license, convey, or sell this Permit or any rights of Permittee hereunder, whether voluntarily or by operation of law without the prior written approval of the Authority.

Any transfer in violation of this provision shall be void. Authority's acceptance of any fee or charge by the Authority for the continued operations of Permitted Vehicles ostensibly pursuant to this Permit shall not constitute a waiver of Authority's right to terminate this Permit.

3.2.8 Permittee shall ensure that at all times all Permitted TNC Drivers conduct themselves in a professional manner and are courteous to the public, passengers, Authority and Airport employees, and other Authority representatives. Threats of physical harm, fighting, gambling, possession or use of any weapons, public intoxication or the use or possession of illegal substances on Airport premises are expressly prohibited.

3.2.9 Permittee shall not install, erect, affix, paint, display or place or permit the installation, erection, affixation, painting, display or placement of any sign, lettering, or other advertising device or media in, on, or about the Airport, the terminals, or any portion thereof, without the prior written consent of the Authority.

- 3.2.10 Any Permittee who has its Permit suspended or allows its Permitted TNC Drivers to conduct TNC Services under a suspended Permit, and is found to be operating at the Airport during the period of suspension, may have its Permit revoked without notice.
- 3.2.11 The Authority reserves the right to perform periodic inspections of Permitted Vehicles to determine if they are in compliance with standards set forth in this Ground Transportation Permit, Airport Rules and Regulations, the California Vehicle Code and the California Public Utilities Code.
- 3.2.12 Permittee shall not allow or sanction any non-permitted TNC Driver to pick up at the Airport.
- 3.2.13 Conditions Related to TNC Permitted Vehicles. For the term of the Permit, Permittee shall be required to provide Permitted TNC Vehicle identification information (Attachment A) to the Authority. In conducting its operations consisting solely of the permitted use, without limiting the generality of other provisions of this Permit, Permittee shall strictly comply with the following transportation requirements as amended from time to time by the President/CEO:

Tracking TNC Vehicles on Airport Roadways. Prior to engaging in operations at the Airport and at Permittee's sole expense, Permittee shall complete this application and all Attachments and submit for approval to the Airport's Ground Transportation Department. The Ground Transportation Department will review the submitted application and upon approval, issue an airport placard ("Airport Placard") and vehicle transponder ("Vehicle Transponder"). The Authority's Automated Vehicle Identification ("AVI") system will track the entry and exit of all Permitted TNC Vehicles. The TNC shall also set up the Airport's Geo-Fence, an electronic perimeter of the Airport comprised of one or more polygons whose points are geographic coordinates defined by the Authority and/or under the Authority's management. Permitted TNC Vehicle tracking shall be established as follows: 1) vehicle entrance onto Airport property including the Airport's cell phone lot; 2) vehicle exit from Airport property; and 3) passenger drop off. Consistent with the auditing provisions in this Permit, the Authority may periodically audit Permittee's records with respect to its operations on the Airport. For the term of this Permit, all such audits shall take place in Permittee's local San Diego office.

- 3.2.14 Conditions Relating to Permitted TNC Drivers. For the term of the Permit, Permittee shall be required to provide Permitted TNC Driver identification information (Attachment B) to the Authority. However, In the event the Authority determines it requires additional driver identification information for permit and/or Rules and Regulations enforcement, Permittee shall provide such information to Authority as requested. This information shall be provided to the Authority in writing and Permittee shall promptly respond to all such inquiries from the Authority and/or law enforcement personnel. Permittee expressly understands the Authority may require such information in any future Permit and that the terms of this Permit in no

way establish a precedent or any limitation whatsoever on the discretion of the President/CEO to add to or subtract from or otherwise alter operating permit requirements. Further, Permittee understands that the Authority is upgrading the Airport's AVI system that may require Permitted TNC Driver identification in any future permit. Permittee shall cooperate with assigned Authority staff during the course of the Permit term to determine whether and how a future permit, if one should be granted by the President/CEO, may or may not include tracking of Permitted TNC Driver identification.

- 3.2.15 Permitted TNC Drivers shall obtain from the Authority an approved driver and vehicle placard with pictures, along with an approved Authority decal indicating both have been properly permitted. The placard shall also have the TNC name clearly displayed.
- 3.2.16 Irrespective of whether the driver of a Permitted TNC Vehicle is an employee of Permittee or operates the Permitted TNC Vehicle as a lessee of the TNC, or as a subcontractor or sublessee, Permittee shall at all times be responsible for the actions and omissions of every Permitted TNC driver whether or not the vehicle or driver is authorized by the Authority.
- 3.2.17 Permittee shall certify in a form determined by the Authority that the following driver and vehicle safety criteria have been met: 1) every Permitted TNC Driver has a valid California driver's license and valid personal automobile insurance meeting the minimum requirements for the State of California; and 2) Permittee has completed a DMV record check and criminal history check of each Permitted TNC Driver, consistent with the requirements in the CPUC Decision.
- 3.2.18 Permittee shall not allow any third party to operate a Permitted TNC Vehicle on the Airport pursuant to this Permit unless such operation is pursuant to a written agreement between the Permittee and the third party. At a minimum, the written agreement must include provisions regarding responsibility for providing liability insurance required by this Permit. The written agreement must incorporate this Permit wherein the third party agrees to be bound by all terms and conditions of this Permit. Permittee shall provide the Authority with copies of such written agreements when requested by the Authority.
- 3.2.19 Airport Permitted TNC Driver Background Check. Permitted TNC Drivers shall file and complete the Department of Homeland Security's Security Threat Assessment ("STA") overseen by the Transportation Security Agency ("TSA") that includes checks against criminal history records, terrorist watch lists, and immigration status at their own expense. Permits shall be issued only to drivers with background checks marked as "approved."
- 3.2.20 Permittee shall be responsible for ensuring that Permitted TNC Drivers use the Designated Areas approved by the President/CEO for passenger pickup and that Permitted TNC Drivers comply with the provisions of this Permit and the Airport's Rules and Regulations. In addition, prior to engaging in operations under this

Permit, Permittee shall attend an orientation training provided by the TNC at an Airport location, and shall communicate the specific content and operating procedures contained in the training to each Permitted TNC Driver before each such driver operates on Airport roadways. Permittee shall make its training available to the Authority upon request.

3..2.21 Upon receiving an “approved” status from the driver background check, the Permitted TNC Driver shall be issued an Authority placard and “hanging” transponder. The placard will exhibit 1) a picture of the Permitted TNC Vehicle; 2) a picture of the Permitted TNC Driver; 3) a visible replication (either picture or written) of the TNC Vehicle License Plate number, 4) the approved TNC Trade Dress, and 5) the Permitted TNC Vehicle Permit No.. The hanging transponder shall be attached to the mirror upon entering the Airport and the placard prominently displayed on the Permitted TNC Vehicle dashboard whenever TNC services are conducted on Airport property. The placard and the transponder shall be displayed and visible as long as the Permitted TNC Vehicle is on Airport property.

3.3 **Monthly Reports.** Within fifteen (15) calendar days of the close of any calendar month while this Permit is in effect, Permittee shall submit to the Authority’s Ground Transportation Department its operations report for the previous calendar month (“Monthly Report”). The Monthly Report shall be in an agreed-upon electronic format and shall include for each date of operations and for each trip: (a) the license plate number of the Permitted TNC Vehicle; and (b) the time of entry into and exit from Airport property. The Monthly Report shall also include the total number of Trips for the reporting period.

3.4 **Books and Records.**

3.4.1 **Audit and Inspection of Records.** Permittee agrees to maintain and make available to the Authority during regular business hours accurate books and accounting records relating to its operations under this Permit. Permittee shall maintain all records within the County of San Diego. If Permittee fails to maintain all records within the County of San Diego, Permittee agrees to reimburse Authority for reasonable expenses involved in traveling to the records storage site. Permittee shall cooperate with such inspection and/or audit. In the event an inspection or audit shows that Permittee is not complying with the requirements of the Permit, the Authority may require the Permittee to reimburse the Authority for the costs of such inspection and/or audit. Permittee shall promptly remedy any noncompliance found through the inspection and/or audit. Permittee shall maintain such data and records in an accessible location and condition for a period of not less than five (5) years from the expiration of the Permit or the last date of operations at the Airport, whichever is later.

3.4.2 **Reports.** The Authority reserves the right to request any and all reports deemed necessary from the Permittee in the performance and auditing of this Permit at no cost to the Authority. These reports must be submitted within ten (10) business days from the date the request was made unless instructed otherwise in writing

from the Authority. Failure to submit reports within the stipulated time may be considered a material breach of the Permit and grounds for termination.

- 3.4.3 Other Data. Permittee shall also maintain internal or third-party information system reviews, audits or specialized testing performed for three (3) years, meaning the current calendar year plus two additional years (e.g., Statement on Standards for Attestation Engagements (“SSAE”) No. 16, Reporting on Controls at a Service Organization, from the Auditing Standards Board of the American Institute of Certified Public Accountants (“AICPA”)) and make such data available to the Authority upon request. Failure to provide complete and accurate reports within the stipulated time may be considered a material breach of the Permit and subject to any remedies in law or equity including the termination of the Permit at the sole discretion of the President/CEO. The specific reports and format required may be amended from time to time upon express approval of the Authority.
- 3.4.4 Underpayment of Fees. Should any examination, inspection and audit of Permittee’s books and records by the Authority disclose an underpayment by Permittee of the consideration due, Permittee shall promptly pay the underpayment amount to the Authority. If such underpayment exceeds five percent (5%) of the consideration due, Permittee shall reimburse the Authority for all costs incurred in the conduct of such examination, inspection and audit.
- 3.4.5 Disclosure of Records. Permittee recognizes that books and records regarding its operations under this Permit may be subject to disclosure under the California Public Records Act (Cal Govt. Code §§ 6250 *et seq.*) (“CPRA”). The Authority understands that Permittee may contend that certain information that Permittee submits to the Authority, including the TNC Driver identification information and the Permitted TNC Vehicle license plate information referred to in Appendix A and B (“Confidential Information”) is a trade secret not subject to this disclosure. Permittee must identify, in writing, all of Permittee’s Confidential Information that Permittee claims is exempt from disclosure pursuant to the CPRA. Such identification shall include, but not be limited to, physically marking any such items provided to the Authority with a “Confidential Information” marking. Although the Authority lacks sufficient information to determine whether such information is a trade secret for purposes of the CPRA, in the event the Authority receives a third party request for the Permittee’s Confidential Information under the CPRA, the Authority will make its best efforts to promptly notify Permittee of such request so that Permittee may seek court intervention concerning the potential disclosure of Confidential Information. In the absence of an order issued by the court of competent jurisdiction prohibiting disclosure of any information, the Authority will comply with the applicable legal disclosure requirements. Permittee agrees to indemnify and hold harmless the Authority and its Board, officers, officials, directors, employees, agents, and volunteers, from any claims, liability or damages, including reasonable attorney’s fees and court costs, against the Authority and to defend any actions brought against the Authority for the Authority’s refusal to disclose Permittee’s Confidential Information to any party. By submitting Confidential Information, Permittee agrees that the Authority, in its sole discretion, may determine whether Permittee’s Confidential Information is subject to disclosure under the CPRA. Permittee expressly waives all causes of action for damages and recourse whatsoever against the Authority and its Board, officers,

officials, directors, employees, agents and volunteers for the Authority's decision to disclose records or other materials, including, but not limited to, Confidential Information, submitted by Permittee to the Authority.

- 3.5 **No Guarantee of Business or Revenue.** By issuing this Permit, Authority does not make, and has not made, any representation, warranty, assurance, or guaranty that this Permit, or the operations conducted thereunder, will generate any minimum, maximum, or optimum volume of airline or other passenger traffic business, or that any minimum, maximum, or optimum volume of airline or other passenger traffic business or revenue will occur.

#### **ARTICLE 4 - FEES AND CHARGES.**

- 4.1 **Establishment of Fees and Charges.** In consideration of the rights granted by the Authority pursuant to this Permit, Permittee agrees to pay the following fees to the Authority during the term of this Permit.

- 4.1.1 **Permitted TNC Vehicle and Permitted TNC Driver Access Fees.** Prior to the execution of this Permit, the TNC applicant shall pay for each Permitted TNC Vehicle and Permitted TNC Driver application, the following one-time fees (unless replacement equipment is required or a new threat assessment is necessary):

- 4.1.1.1 A non-refundable \$20 Transponder fee;
- 4.1.1.2 A non-refundable \$30 Security Threat Assessment (STA) Background Check fee;
- 4.1.1.2 A non-refundable \$50 Airport Placard fee.

- 4.1.2 **Trip Fees.** For Providing TNC Services at the Airport for the purpose of a passenger pickup, Permittee shall pay a separate Trip Fee assessed for each Trip. The Trip Fees collected during each month are due in full, to be received by the Authority, within fifteen (15) calendar days of the close of each calendar month. The Trip Fees may be paid by ACH, wire or bank transfer, check, cash, money order, or credit card. The payment of the Trip Fees shall be accompanied by a full reporting of the Permittee's TNC Services at the Airport during the payment period. The report shall comply with the requirements set by the Authority.

The Trip Fee for each Permitted TNC Vehicle passenger pick up is as follows:

- 4.1.2.1 For Non-Clean Air Vehicle/Alternative Fuel Vehicle, a Trip Fee of \$1.90.
- 4.1.2.2 For Clean Air Vehicle/Alternative Fuel Vehicle, a Trip Fee of \$1.45

- 4.1.3 **Permit Activation Fee.** Permittee shall pay a Permit activation fee ("Permit Activation Fee") of either: 1) an amount agreed to by the Authority representing actual unpaid Trip Fees prior to March 1, 2015 ("Unpermitted Operations Period"); or 2) the flat rate of ten thousand dollars (\$10,000).

If Permittee elects option 1), then Permittee shall submit documentation supporting a calculation of all trips to the Airport during the Unpermitted Operations Period. The documentation shall be submitted and remittance of the Permit Application Fee shall be made in two installments: (1) the first installment shall be for the period from January 1, 2014 through and including December 31, 2014 and (2) the second installment shall be for the period from January 1, 2015 to the date the TNC Vehicle and Driver Permitting process described in this Permit is complete and the AVI system is formally activated. If Permittee elects option 2), it shall submit the Permit Activation Fee with its signed permit.

**Payment of Fees.** Fees shall be paid monthly after reconciliation, either via ACH, wire or bank transfer, check, cash, money order, or credit card and shall be subject to late fees if the payment is late. Late fees shall be calculated and paid in accordance with the Authority's policies applicable to late payments.

- 4.1.4 **Insufficient Funds.** In the event Permittee or any Permitted TNC Driver of Permittee provides payment pursuant to the terms of this Permit by a check that is dishonored, Permittee shall be liable for the face value of the check plus a Fifteen Dollar (\$15) handling fee. Payment of the face value of the check and the handling fee shall be made within fifteen (15) days of notification of the dishonored check and shall be made by cashier's check or money order for the full amount due.

## **ARTICLE 5 - VEHICLE REQUIREMENTS.**

- 5.1 **Appearance.** Permittee shall ensure that each Permitted TNC Vehicle conforms to the vehicle requirements set forth in the Airport Rules and Regulations.
- 5.2 **Trade Dress.** Permittee shall provide the Authority with a photograph of Permittee's approved CPUC Trade Dress, along with a description of the designated Trade Dress location. (Note: the location must be approved by the Authority's Ground Transportation Director or his/her designee). While operating on Airport roadways and providing TNC services, every Permitted TNC Vehicle shall display Permittee's Trade Dress in the designated Trade Dress location. Trade Dress shall be removed completely from sight if the Permitted TNC Vehicle is not conducting TNC services at the Airport.
- 5.3 **Permitted Vehicle Condition.** Permittee shall ensure all Permitted Vehicles are maintained in good and safe mechanical condition and in full compliance with all applicable Airport Rules and Regulations. Permittee shall ensure that all Permitted TNC Vehicles when operated pursuant to this Permit are clean and free of visible damage.
- 5.4 **Inspection.** The Authority, at its sole discretion, shall have the right to inspect from time to time Permitted TNC Vehicles for compliance with standards set forth in this Permit, Airport Rules and Regulations, and applicable law. Permittee has completed the 19 point inspection described in the CPUC Decision for each Permitted TNC Vehicle. TNC Drivers must have Permitted TNC Vehicles inspected annually through a licensed automotive repair dealer (licensed auto repair facilities are regulated by Bureau of Automotive Repair) with a "VALID STATUS" and maintain proper documentation of such inspections. All costs

associated with these vehicle inspections and repairs shall be at the TNC or driver's expense. Should a vehicle be inspected and found by an ATO or other Authority representative to be substandard, the vehicle and the driver's Permit shall be suspended until the substandard condition is corrected. The Permitted TNC Vehicle shall not operate at the Airport until the substandard condition is corrected. The Permitted TNC Driver must provide proof or evidence of the vehicle's corrected condition to the Airport's Ground Transportation Department before operating at the Airport.

- 5.5 **Standardized Age Replacement Policy.** Permittee shall not allow any Permitted TNC Driver to operate a Permitted TNC Vehicle at the Airport that is ten (10) years in age or older.
- 5.6 **Permitted TNC Vehicle Identification Decal and AVI Transponder.** All Permitted TNC Vehicles shall display a Vehicle Identification Decal affixed to the Vehicle in a location prescribed by Authority. Permitted TNC Driver shall affix an appropriate AVI transponder ("AVI Transponder") to the mirror of each Permitted TNC Vehicle. Permitted TNC Driver shall be responsible for the cost of replacing any lost or damaged AVI Transponder. Permittee agrees to waive any and all claims against Authority and its agent for any incidental damage to a Permitted TNC Vehicles where such damage was occasioned by the ordinary process of installing or removing the AVI Transponder or similar device, unless solely caused by the negligence of Authority or its agent.
- 5.6.1 While Providing TNC Services on Airport property, Permittee shall clearly display the Permitted TNC Vehicle Identification Decal and AVI Transponder.
- 5.6.2 No Permittee shall damage, tamper, or attempt to damage or tamper with any Permitted TNC Placard, Vehicle Identification Decal or AVI Transponder.
- 5.6.3 In the event Permittee replaces the windshield of a Permitted TNC Vehicle or replaces a Permitted TNC Vehicle with another vehicle acceptable to the Authority, the Authority will issue a replacement Vehicle Identification Decal provided Permittee returns the original Vehicle Identification Decal to the Authority. Should the Vehicle Identification Decal not be returned, the Permitted TNC Driver shall be assessed a \$50 replacement fee.
- 5.6.4 Permittee shall take all necessary action to ensure that no Permitted TNC Vehicle evades or attempts to evade any Airport AVI reader.
- 5.6.5 Permittee shall not assign, loan, transfer or alienate in any way a Vehicle Identification Decal.
- 5.6.6 All TNC Vehicle Identification Decals shall expire at the same time as this Permit.

## **ARTICLE 6 – HOLD HARMLESS.**

- 6.1 **Hold Harmless.** Permittee, for and on behalf of its directors, officers, employees, contractors, drivers, representatives and agents, covenants and agrees to defend,

indemnify and hold harmless the Authority, its Board, officers, directors, employees, agents and volunteers ("Authority-related Personnel") from and against any and all liabilities, liens, claims, judgments, demands, causes of action, losses, damages, costs and expenses (including reasonable attorneys' fees and costs) (collectively hereinafter "Liabilities"), arising out of, related to, or in any way connected with, directly or indirectly: (i) any use of a Permitted TNC Vehicle or any other vehicle; (ii) any acts or omissions of Permittee or any driver of a Permitted TNC Vehicle, including but not limited to a Permitted TNC Driver; (iii) any obligations or activities undertaken in connection with this Permit; (iv) any damage to any person or property, or injury to or death to any person, including without limitation any claim or action alleging latent and other defects, whether or not discoverable by Permittee or Authority; (v) any alleged or actual breach of any federal, state or local law or regulation; and (vi) Permittee's duties under easements or contracts with third parties; except that this paragraph shall not apply to any Liabilities arising through the sole active negligence or willful misconduct of Authority. These indemnity obligations shall apply for the entire time that any third party can make a claim against or sue the Authority or the Authority-related Personnel. Permittee and Authority agree to promptly provide notice to each other of any Liabilities following the learning thereof by such party. Permittee shall not settle or compromise any claim or matter pursuant to this paragraph without first obtaining Authority's written consent.

- 6.2 **Permittee's Assumption of Risk.** Permittee covenants that it voluntarily assumes any and all risk of loss, damage, or injury to the person or property of Permittee, its directors, officers, employees, contractors, drivers, representatives and agents which may occur in, on, or about the terminals, or the Airport at any time and in any manner, except such loss, injury, or damage as may be caused by the sole active negligence or the willful misconduct of the Authority.
- 6.3 **Waiver by Permittee.** As a material part of the consideration to be rendered by Permittee to Authority under this Permit, Permittee waives any and all claims or causes of action against Authority, its Board, officers, directors, employees, agents, and volunteers which Permittee may now or hereafter has at any time for damage to Permittee's property located in, on, or about the Airport or the terminals, and for injury to or death of any person occurring in, on or about the terminals or the Airport from any cause arising at any time, except as may arise from the active sole negligence or the willful misconduct of Authority, its officers, directors, employees, agents, and volunteers.

In addition to the foregoing, except as shall arise out of the sole active negligence or willful misconduct of Authority, its Board, officers, directors, employees, agents, and volunteers, Permittee specifically waives any and all claims or causes of action which it may now or hereafter have against Authority, its officers, directors, employees, agents, and volunteers for any loss, injury, or damage arising or resulting from any act or omission of any licensee, other Permittee, sub-licensee, or concessionaire of the terminals or the Airport, or any person who uses the terminals or the Airport with or without the authorization or permission of Authority.

Further, Permittee agrees to voluntarily assume all risk of loss, damage, or injury to the person and property of Permittee, its directors, officers, employees, contractors, drivers, representatives and agents in or about the Airport or the terminals which, during the term

of this Permit, may be caused by or arise or occur in any manner, including but not limited to the following:

- 6.3.1 From the flight of any aircraft of any and all kinds now or hereafter flown in, through, across, or about any portion of the air space over the Airport or the terminals; or
- 6.3.2 From noise, vibration, currents and other effects of air, illumination, and fuel consumption, or fear thereof, arising or occurring from or during such flight, or from or during the use by aircraft of the Airport, including but not limited to, landing, storage, repair, maintenance, operation, run-up, and take-off of such aircraft, and the approach and departure of aircraft to or from the Airport.

## **ARTICLE 7 – TERMINATION AND SUSPENSION.**

- 7.1 **Default and Termination.** If Permittee fails to perform or observe any of the terms, covenants or conditions in this Permit, Authority may give written notice to cure such omission. If Permittee fails to cure the omission within ten (10) days after service of the notice, Authority may terminate this Permit by providing written notice of termination to Permittee. In such event, this Permit shall terminate on the date stated in the termination notice; Permittee shall have no further rights under this Permit; Permittee shall immediately surrender all Vehicle Identification Decals that have been issued by Authority; and the Authority further shall have all other rights and remedies as provided by law, including without limitation the right to recover damages from Permittee in the amount necessary to compensate Authority for all the detriment and injury proximately caused by Permittee's failure to perform its obligations under this Permit or which in the ordinary course would be likely to result therefrom.
- 7.2 **Default and Suspension.** If Permittee fails to perform or observe any of the terms, covenants or conditions in this Permit, but cures such default within ten (10) days after service of notice, the Authority, in its sole discretion, may suspend this Permit for a period of time deemed appropriate by the Authority when considering the facts, circumstances and seriousness of the default.
- 7.3 **Termination Without Cause.** Notwithstanding the right of Authority to terminate for default as specified above, this Permit may be terminated by Authority or Permittee as a matter of right and with or without cause at any time upon the giving of thirty (30) days' advanced notice in writing to the other party of such termination.
- 7.4 **Refund of Permit Fee in the Event of Termination or Suspension.**
  - 7.4.1 **Termination or Suspension Due to Permittee's Default.** In the event this Permit is terminated or suspended due to Permittee's default, Permittee shall not be entitled to any refund of Permit Fees, Trip Fees, or any other fees paid to the Authority.

- 7.4.2 **Termination Without Cause.** In the event this Permit is terminated without cause, Permittee shall not be entitled to a refund of any fees including Permit Fees, Trip Fees or other fees paid to Authority.
- 7.5 **Non-waiver of Rights.** The waiver by either party of any breach of any term, covenant or condition in this Permit shall not be deemed to be a waiver of any other term, covenant or condition, or of any subsequent breach of the same term, covenant or condition. The subsequent acceptance by Authority of any payment by Permittee shall not be deemed to be a waiver of any preceding breach by Permittee of any term, covenant or condition of this Permit other than the failure of Permittee to pay the particular compensation, regardless of Authority's knowledge of such preceding breach at the time of acceptance of such compensation.
- 7.6 **Survival of Authority's Rights.** The following rights of the Authority under this Permit shall survive any termination of this Permit including termination due to expiration of the Permit's term:
- 8.6.1 **Funds Due the Authority.** All funds due the Authority as provided in this Permit.
- 8.6.2 **Hold Harmless and Indemnification.** The Authority's rights to be held harmless and to be indemnified by Permittee as provided in this Permit.
- 8.6.3 **Permittee's Waiver and Permittee's Assumption of Risk.** The Authority's rights arising pursuant to Permittee's waiver and assumption of risk provisions set forth above.
- 8.6.4 **Environmental Compliance.** The Authority's rights and Permittee's obligations arising pursuant to Article 12 of this Permit.

**ARTICLE 8 – JOINT AND SEVERAL LIABILITY.** If Permittee is a partnership or joint venture, or is comprised of more than one party or entity or a combination thereof, the obligations imposed on Permittee under this Permit shall be joint and several, and each general partner, joint venturer, party, or entity of Permittee shall be jointly and severally liable for said obligations. Nothing contained herein, however, shall be deemed or construed as creating a partnership or joint venture between Authority and Permittee or between Authority and any other entity or party, or cause Authority to be responsible in any way for the debts or obligations of Permittee, or any other party or entity.

**ARTICLE 9 - PUBLIC SAFETY INTERRUPTION.** Authority may interrupt or suspend Permittee's activities at the Airport and Permittee's use of the Airport if, in Authority's sole discretion, such interruption or termination is necessary in the interest of public safety. Permittee hereby waives any claim against Authority for damages or compensation should its activities be interrupted or suspended for any period.

**ARTICLE 10 - COST OF LITIGATION AND/OR ADMINISTRATIVE ACTIONS - ATTORNEY FEES.** If any action, whether an action in litigation or in an administrative action, brought by Permittee or by Authority and arising out of or traceable to any rights, privileges, or obligations

bestowed by this Permit, including but not limited to breach of any provision of this Permit, the Parties agree that the prevailing party shall be entitled to and the non-prevailing party shall be bound to pay all reasonably incurred costs associated with the action. The Parties agree that all reasonably incurred costs associated with the action include, but are not limited to attorney fees, costs of legal research incurred in preparing documents filed with the court or administrative body, expert witness fees, and exhibits used in presenting the prevailing party's case to the court, jury or administrative body.

**ARTICLE 11 – NOTICES.**

11.1 **Notice.** Any notice required or permitted by this Permit shall be in writing and shall be delivered as follows with notice deemed given as indicated: (a) by personal delivery on the date that personal delivery is accomplished; (b) by overnight courier upon the date of signature verification of receipt; or (c) by certified or registered mail, return receipt requested, upon signature verification of receipt. Notice shall be sent to the addresses set forth below, or such other address as either party may specify in writing:

If to the Authority, to:

San Diego County Regional Airport Authority  
Ground Transportation Department  
P. O. Box 82776  
San Diego, California 92138-2776

with a copy to:

San Diego County Regional Airport Authority  
Director, Ground Transportation  
P. O. Box 82776  
San Diego, California 92138-2776

If to Permittee, to:

\_\_\_\_\_,  
\_\_\_\_\_,  
\_\_\_\_\_,  
\_\_\_\_\_

11.2 **Notice From President/CEO.** Permittee agrees that notice from the President/CEO or the President/CEO's duly appointed designee shall be effective as to the Permittee as if it were executed by the Board or by resolution of the Board.

**ARTICLE 12 – ENVIRONMENTAL COMPLIANCE - PROHIBITIONS AND RESTRICTIONS.**

12.1 **Definitions.** The following words and phrases when used in this Permit shall have the following meanings:

12.1.1 **Hazardous Material:** includes Solid Wastes and shall mean any substance whether solid, liquid, or gaseous in nature: (i) the presence of which requires investigation or remediation under any applicable federal, state or local statute, regulation, ordinance, order or common law; or (ii) which is or becomes defined as a hazardous waste, hazardous substance, pollutant or contaminant under any applicable federal, state, or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Clean Air Act, and the Clean Water Act, and state and federal regulations relating to storm water discharges, including without limitation, 40 CFR Part 122; or (iii) the presence of which on the Airport causes or threatens to cause a nuisance upon the Airport or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Airport; or (iv) without limitation, which contains gasoline, diesel fuel, other petroleum hydrocarbons, natural gas liquids, polychlorinated biphenyls (PCBs), asbestos, or lead-based paint.

12.1.2 **Pollutant:** any Hazardous Materials or Solid Wastes (as such terms are defined herein).

12.1.3 **Release:** any depositing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into the environment.

12.1.4 **Solid Waste:** has the same meaning as in the Resource Conservation and Recovery Act and includes sewage.

12.2 **Permittee's Operations On the Airport.** In conducting its operations as they occur on the Airport, Permittee shall abide and be bound by all of the following requirements:

12.2.1 Permittee shall comply with all applicable present and future federal, state, and local statutes, regulations, ordinances, permits, codes, orders, limitations, restrictions, or prohibitions of any governmental authority, including Authority Codes and Rules and Regulations, relative to the use of the Airport regarding the environment, including, without limitation, waters of the United States or the State of California, the protection of the environment, public health, welfare or safety, including, without limitation, those related to Pollutant(s) (as such term is defined herein) and environmental conditions on, under or about the Airport including, but not limited to, soil and groundwater conditions and shall not contaminate the Airport or the subsurface with any Pollutant(s).

- 12.2.2 Permittee shall restrict its use of hazardous materials when it comes onto the Airport to those kinds of materials that are normally used in operating vehicles e.g., petroleum and petroleum products, antifreeze or batteries, and shall utilize any such hazardous materials in a safe and prudent manner. Disposal of any hazardous materials or hazardous waste at or under the Airport is strictly prohibited.
- 12.2.3 Permittee shall be solely and fully responsible for the reporting of hazardous material releases to the appropriate public agencies, when such releases are caused by or result from Permittee's activities on the Airport. Permittee shall immediately notify Authority of any release of hazardous materials, whether or not the release is in quantities that would otherwise be reportable to a public agency.
- 12.2.4 Permittee shall be solely and fully responsible and liable in the event Permittee, or any of its directors, officers, employees, contractors, Drivers, representatives or agents causes or permits any Pollutant(s) to be released at the Airport, or into the Authority's sewage or storm drainage system, or groundwater. Permittee shall take all necessary precautions to prevent any Pollutants from being released on the Airport, or into Authority's sewerage, storm drainage system, or the groundwater. If at any time a release of any Pollutants is discovered on the premises, the Airport, Authority's sewerage or storm drainage system, or the groundwater, or there is the danger of a release of a Pollutant, Permittee, at Permittee's sole cost and expense, shall be removed immediately by suitable procedures in accordance with requirements of all appropriate governmental authorities and/or in a manner acceptable to the President/CEO. Failure to act promptly to immediately remedy the release may result in a determination by the President/CEO or his/her duly authorized representative to expend Authority resource to protect public health and safety, or property, or the environment. Permittee shall reimburse Authority within five (5) days of Authority's demand for payment.
- 12.2.5 Permittee shall indemnify and hold Authority, its Board, officers, directors, employees, agents and volunteers harmless from and against all loss, damage, liability (including all foreseeable and unforeseeable consequential damages) and expense (including, without limitation, the cost of any required cleanup and remediation of the Pollutants) which Authority may sustain as a result of the presence or cleanup of Pollutants on the Airport or the subsurface. After notice from Authority, and at the discretion of Authority, Permittee shall cease its activities on the Airport until such release or the danger of release of Pollutants is cured. Authority's decision to require Permittee to cease activities may be based on factors such as Permittee's continued activities may result in a subsequent release of Pollutants, ceasing activities may aid Authority in determining the extent of liability of Permittee or may aid Authority in cleanup and remediation of the Pollutants.

12.2.6 Permittee's obligations under this Article shall survive the expiration or earlier revocation or suspension of this Permit.

**ARTICLE 13 - TAXES, CHARGES AND ASSESSMENTS.** Permittee shall pay before delinquency, and without notice or demand, all taxes, charges, and assessments which may be levied, imposed, or assessed against Permittee, Permittee's property, Permittee's interest in its operations or possession of its assets, or any other tax for which Permittee may become liable. Permittee acknowledges that this Permit may create a possessory interest and that such interest may give rise to a real estate or possessory interest tax. In such event, Permittee shall be solely responsible for the payment of said possessory interest taxes and agrees to pay such taxes if and when they become due. Payment of all such taxes and charges shall be the sole responsibility of Permittee.

**13.1 Deposit.** Upon execution of the Permit, Permittee will deliver to the Authority's Ground Transportation Department, a security deposit ("Deposit") equal to the minimum Deposit amount specified in the Permit Application. As this Permit is part of a Pilot Program, the President/CEO has set an estimated Deposit as a basis for the Permit Application. The President/CEO may, at his or her sole discretion, adjust the Deposit amount at any time after three (3) months from the date the Permit is issued to establish a Deposit amount approximately equal to three (3) months payments of Trip Fees.

Form of Deposit. Such Deposit shall be in the form of: (a) a surety bond payable to Authority naming Authority as obligee, and otherwise in form satisfactory to the General Counsel and issued by a surety company satisfactory to President/CEO; or (b) a letter of credit naming Authority as beneficiary, and otherwise in form satisfactory to the General Counsel, issued by a bank located in San Diego County satisfactory to President/CEO. With President/CEO's consent, Permittee shall be permitted to submit as a Deposit a Treasury bond, a certificate of deposit, or a certified check, or a credit card, all in form satisfactory to President/CEO, in the Deposit amount, to the extent the same is permitted by Authority's policy. Such Deposit shall be reviewed and adjusted in the event this Permit is extended beyond the specified term, all at Permittee's cost, such that at all times, the Deposit is equal to the higher of (i) the minimum Deposit amount specified in the Permit Application or (ii) three (3) months of monthly Trip Fees as estimated by Authority. Such bond or letter of credit shall be kept in full force and effect at all times to ensure the faithful performance by Permittee of all covenants, terms, and conditions of this Permit, including payment of monthly Trip Fees. Permittee shall cause the surety company or bank issuing such bond or letter of credit to give President/CEO notice in writing by registered mail at least forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to renew said bond or letter of credit.

Use of Deposit. If Permittee fails to pay its monthly Trip Fees or otherwise defaults with respect to any provision of this Permit, the Authority may use, apply or retain all or any portion of the Deposit for the payment thereof or other charge in default or for the payment of any other sum to which Authority may become obligated by reason of Permittee's default or to compensate the Authority for any loss or damage which the Authority may suffer thereby. If the Authority so uses or applies all or any portion of the Deposit, Permittee, within ten (10) days after demand therefor, shall deposit other security

acceptable to President/CEO with the Authority in an amount sufficient to restore the Deposit to the full amount thereof. In the event the surety company or bank declines to renew or elects to cancel the bond or letter of credit comprising the Deposit, Permittee shall, at least fifteen (15) days prior to the expiration or cancellation date thereof, replace such bond or letter of credit with another bond or letter of credit. If Permittee fails to do so, the Authority may, without notice to Permittee, draw on the entirety of the Deposit and hold the proceeds thereof as security hereunder. The Authority shall not be required to keep the Deposit separate from its general accounts. If Permittee performs all of Permittee's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by the Authority, shall be returned, without payment of interest or other increment for its use, to Permittee (or, at Authority's option, to the last assignee, if any, Permittee's interest hereunder) upon the revocation or termination of this Permit. No trust relationship is created herein between Authority and Permittee with respect to the Deposit.

#### **ARTICLE 14 – INSURANCE – GENERAL REQUIREMENTS.**

- 14.1 Permittee shall procure at its expense, and keep in effect at all times during the term of this Permit, the types and amounts of insurance specified herein. The specified insurance shall include and insure Authority, its Board and all its officers, employees, and agents, their successors and assigns, as additional insureds with respect to the acts or omissions of Permittee, and any of its directors, officers, employees, contractors, drivers, representatives or agents in their performance of services pursuant to this Permit, in their operations, use, and occupancy of the Airport, or other related functions performed by or on behalf of Permittee in, on or about the Airport. All vehicles operated on the Airport by or on behalf of Permittee or any of its directors, officers, employees, contractors, drivers, representatives or agents, must be covered by such insurance policies.
- 14.2 All such insurance shall be primary and noncontributing with any other insurance held by Authority where liability arises out of or results from the acts or omissions of Permittee, its agents, employees, Drivers, officers, assigns, or any person or entity acting for or on behalf of Permittee.
- 14.3 Such policies may provide for reasonable deductibles and/or self-insured retentions. All deductibles and self-insured retentions must be declared and acceptable to the President/CEO based upon the nature of Permittee's operations and the type of insurance involved.
- 14.4 Authority shall have no liability for any premiums charged for such coverage(s). The inclusion of Authority, Board and all its officers, employees, and agents, their successors and assigns, as an Additional Insured is not intended to, and shall not, make them, or any of them, a partner or joint venturer with Permittee in its operations at the Airport or connected with this Permit.
- 14.5 At least ten (10) days prior to the expiration date of the all policies, documentation showing that the insurance coverage has been renewed or extended shall be filed with Authority. If such coverage is canceled, Permittee shall, within fifteen (15) days of such

cancellation of coverage, file with Authority evidence that the required insurance has been reinstated or provided through another insurance company or companies.

- 14.6 Permittee acknowledges and agrees that the following insurance coverages are mandatory for purposes of the Permit; data collected or regulatory decisions made during the term of the Permit may result in changes to the insurance coverages and amounts in future permits for TNC operations. Permittee shall procure and maintain during the term of this Permit, the following minimum insurance:
- 14.6.1 Workers Compensation Insurance in statutory limits with Employer's Liability limits not less than \$1,000,000 each accident.
- 14.6.2 Commercial Automobile and/or Excess Liability, Uninsured and Underinsured Motorist insurance coverage in the following amounts while a TNC vehicle is on Airport premises:
- (a) Period 1: Excess commercial liability insurance of not less than One Hundred Thousand Dollars (\$100,000) per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a TNC's online-enabled application or platform.
- (b) Period 2: Commercial Automobile and/or Excess Liability insurance not less than One Million Dollars (\$1,000,000) per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a TNC's online-enabled application or platform.
- (c) Period 3: Commercial Automobile and/or Excess Liability, Uninsured and Underinsured Motorist insurance not less than One Million Dollars (\$1,000,000) per occurrence to cover any liability arising from a participating driver using a vehicle in connection with a TNC's online-enabled application or platform.
- 14.6.3 In all cases, the insurance coverage shall be available to cover claims regardless of whether a TNC Driver maintains insurance adequate to cover any portion of the claim.
- 14.6.4 Proof of Insurance Coverage. On or before the Commencement Date, Permittee shall provide to the Authority with copies of its certificate of insurance evidencing all specified coverage prior to Permittee performing under this Permit or occupying or servicing the Airport. The certificate of insurance shall contain the name of the Permittee, the applicable policy numbers, the inclusive dates of policy coverage, the insurance carrier's name, the insurance broker's name, address and telephone number and shall bear an original signature of an authorized representative of said insurance carrier. Authority reserves the right to have submitted to it, upon request, all pertinent information about the broker and carrier providing such insurance.
- 14.6.5 Severability of Interests (Cross Liability): The specified policies shall provide coverage separately to each insured against whom a claim is made or suit is

brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.

- 14.6.6 Notice of Cancellation. All policies shall provide that the insurance company shall provide thirty (30) days prior written notice to the Authority of cancellation or non-renewal delivered to the Authority at the Authority's Notice Address.
- 14.7 At a minimum, Permittee shall carry all policies and coverages required in the CPUC Decision and any subsequent CPUC Rule or state or federal statute, or applicable local ordinance.
- 14.8 All insurance policies required herein shall have a minimum A.M. Best Company financial rating of A- minus 7.
- 14.9 Submission of insurance from a non-California admitted carrier is subject to the provisions of California Insurance Code §§ 1760 through 1780, and any other regulations and/or directives from the State Department of Insurance or other regulatory board or agency. Permittee agrees, except where exempted, to provide Authority proof of said insurance by and through a surplus line broker Permitted by the State of California at the address specified below:

Risk Management Department  
San Diego County Regional Airport Authority  
P.O. Box 82776  
San Diego, CA 92138-2776

Or email to this address:  
[certificates@san.org](mailto:certificates@san.org)

**ARTICLE 15 – MISCELLANEOUS PROVISIONS.****15.1 Interpretation.**

- 15.1.1 **Section Headings.** Article or section headings in this Permit are for the convenience and reference of the Parties, and do not define or limit the scope of any article, section or provision.
- 15.1.2 **Fair Meaning.** The language of this Permit shall be construed according to its fair meaning, and not strictly for or against either Party.
- 15.1.3 **Two Constructions.** If any provision in this Permit is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.
- 15.1.4 **Governing Law.** This Permit and all of its terms and conditions shall be construed, interpreted and applied in accordance with, governed by, and enforced under the laws of the State of California.
- 15.1.5 **Venue.** Notwithstanding applicable provision of 28 U.S.C. § 1391 or of California Code of Civil Procedure § 394, the Parties agree that the venue in all matters arising out of this Permit shall be the Superior Court of California, County of San Diego.
- 15.1.6 **Gender.** The use of any gender shall include all genders, and the use of any number shall be construed as the singular or the plural, all as the context may require.
- 15.1.7 **Integrated Agreement.** The Parties agree that this Permit and any documents to which it refers contain the whole agreement between the Parties relating to the terms and conditions by which Permittee is authorized to operate Permitted Vehicles on the Airport. The Parties further agree that this Permit supersedes all previous understandings, permits, and agreements between the Parties regarding such terms and conditions. Each party to this Permit acknowledges that it has not relied on any representation, warranty, collateral contract or other assurance that is not set out in this Permit or in any documents to which it refers, that was made before the execution of this Permit, except that Authority shall have the right to rely upon the information provided in the Permit Application. Each party waives all rights and remedies which, but for this provision, might otherwise be available to it in respect to any such representation, warranty, collateral contract or other assurance. However, nothing in this provision shall limit or exclude any liability for willful misconduct or fraud. The Parties further agree that no alteration or variation of the terms of this Permit shall be valid unless made in writing and signed by the Parties.
- 15.1.8 **Other Agreements Not Affected.** Except as specifically stated herein, this Permit and its terms, conditions, provisions and covenants shall not in any way change, amend, modify, alter, enlarge, impair or prejudice any of the rights, privileges, duties or obligations of either of the Parties under or by reason of any agreement between the Parties.
- 15.1.9 **Partial Invalidity.** If any term, covenant, condition, or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable,

the remainder shall remain in full force and effect, and shall in no way be affected, impaired or invalidated.

- 15.2 **Non-discrimination.** Permittee agrees at all times to fully comply with all laws prohibiting discrimination against any person or class of persons by reason of race, color, gender, religious creed, sex (including pregnancy or child birth), age, national origin, ancestry, sexual orientation, physical or mental disability, medical condition including genetic characteristics, veteran status, marital status, family care status, or any other considerations made unlawful by federal, state or local law in performance of this Agreement. If the use provided for in this Agreement allows Permittee to offer accommodations or services to the public, such accommodations, or services shall be offered on fair and reasonable terms.
- 15.3 **Counterparts.** This Permit may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one and the same instrument.
- 15.4 **Resolutions.** Permittee shall submit a copy of any corporate resolution, where required, which authorizes any director or officer to act on behalf of Permittee or which authorizes Permittee to enter into this Permit.
- 15.5 **Prohibition on Gifts.**
- 15.5.1 Permittee is familiar with Authority's prohibition against the acceptance of any gift by an Authority officer or designated employee.
- 15.5.2 Permittee agrees not to offer any Authority officer or designated employee any gift prohibited by the Policies and Codes of the Authority or by state law.
- 15.5.3 The offer or giving of any gift prohibited by law shall constitute a material violation of this Permit by Permittee.

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**ACKNOWLEDGEMENT & ACCEPTANCE**

By signature of its authorized agent below, Permittee acknowledges it has read, understands and accepts the terms, conditions, restrictions and obligations contained within this Permit.

\_\_\_\_\_  
Print Name / Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

By my signature above, I \_\_\_\_\_ [print name/title], of \_\_\_\_\_ [company name], hereby certify under penalty of perjury under the laws of the State of California that I am an owner, officer or employee of Permittee with authority to obligate Permittee.

**FOR OFFICIAL USE ONLY. DO NOT WRITE BELOW THIS LINE.**

---

DATE OF PERMIT ISSUANCE: \_\_\_\_\_

**SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY**

By: \_\_\_\_\_

**APPROVED AS TO FORM**

\_\_\_\_\_  
**General Counsel**

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**APPLICATION FOR A NON-EXCLUSIVE PERMIT TO OPERATE CHARTER VEHICLE  
AT SAN DIEGO INTERNATIONAL AIRPORT**

**EXHIBIT A**

VEHICLE REGISTRATION LISTING FOR: \_\_\_\_\_

EFFECTIVE DATE: \_\_\_\_\_

#	Vehicle Year/Make	License Plate Number	Vehicle Identification Number (VIN Must be complete)	Company Vehicle #	Vehicle Capacity	Office Use Only	
						Transponder Number	Decal Number
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							
11.							
12.							
13.							

Please make copies of this form for additional listings or future changes

**APPLICATION FOR A NON-EXCLUSIVE PERMIT TO OPERATE CHARTER VEHICLE  
AT SAN DIEGO INTERNATIONAL AIRPORT**

**EXHIBIT B**

**DRIVER LISTING FOR:** \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_

#	Driver Name	Motor Vehicle State and License Number	Driver Address	Driver ID No.	Background Check Complete	Office Use Only	
						Driver Permit No.	Vehicle Decal Number
1.							
2.							
3.							
4.							
5.							
6.							
7.							
8.							
9.							
10.							

Please make copies of this form for additional listings or future changes

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DRAFT

**APPLICATION FOR A NON-EXCLUSIVE PILOT PROGRAM PERMIT TO OPERATE TRANSPORTATION NETWORK COMPANY (TNC) VEHICLES AT SAN DIEGO INTERNATIONAL AIRPORT**

**EXHIBIT C**

**REQUEST FOR WAIVER  
WORKERS' COMPENSATION INSURANCE REQUIREMENT**

**Business**

Legal Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Legal Form     Sole Proprietor     Limited Partnership     General Partnership  
                   Corporation         Business Trust         Limited Liability Company  
                   Other: \_\_\_\_\_

Contact Person (Name and Telephone):  
\_\_\_\_\_

**Authority Reference**

Authority Department: Ground Transportation \_\_\_\_\_

Contact Name/Telephone: \_\_\_\_\_

Document Reference: N/A \_\_\_\_\_

Any work performed on Authority Premises?  Yes     No

Nature of work to be performed for Authority: (bid, contract, job no., location, etc.)

Non-Exclusive Permit - TCN \_\_\_\_\_

**Declaration:**

With respect to the above-mentioned business, I hereby warrant that the business has no employees other than the owners, officers, directors, partners or other principals who have elected to be exempt from Workers' Compensation coverage in accordance with California law. I further warrant that I understand the requirements of Section 3700 et seq. of the California Labor Code with respect to providing Workers' Compensation coverage for any employees of the above mentioned business. I agree to comply with the code requirements and all other applicable laws and regulations regarding workers' compensation, payroll taxes, FICA and tax withholding and similar employment issues. I further agree to hold the San Diego County Regional Airport Authority harmless from loss or liability which may arise from the failure of the above-mentioned business to comply with any such laws or regulations. I therefore request that the Authority waive its requirements for evidence of Workers' Compensation insurance in connection with the above-referenced work.

**Signature**

\_\_\_\_\_  
Owner, Officer, Director, Partnership or other Principal

\_\_\_\_\_  
Title

Date

ATTACHMENT A

DRAFT

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DRAFT

# APPLICATION FOR A NON-EXCLUSIVE PERMIT TO OPERATE CHARTER VEHICLE AT SAN DIEGO INTERNATIONAL AIRPORT

## EXHIBIT D

SAN DIEGO INTERNATIONAL AIRPORT		SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY		SDCRAA (9-14-2012)	
				<b>VEHICLE MAINTENANCE INSPECTION FROM</b>	
COMPANY NAME		OWNER NAME		VIN #	
YEAR	MAKE/MODEL	MILEAGE	2012-2013		
			OK	DEF	COMMENTS
* 1	Fire extinguisher, first aid kit, and reflective warning devices				
* 2	Horn, defroster, gauges, odometer, and speedometer				
* 3	Driver seat, passenger seats, padding, interior, and floor condition				
* 4	Windshield wipers, windows, mirrors, and supports				
* 5	All interior and exterior lights, signals, reflectors				
* 6	Electrical wiring-condition and protection				
* 7	Batteries-water level, terminals, and cables				
* 8	Warning devices-air, oil, temperature, exit, and/or vacuum				
* 9	Heaters, defrosters, switches, and vents				
* 10	Doors, exterior, paint, and marking				
* 11	Radiator and water hoses-coolant level, condition, and/or leaks				
* 12	Belts-compressor, fan, water, and/or alternator				
* 13	Air hoses and tubing-leaks, condition, and/or protection				
* 14	Fuel system-tank, hoses, tubing, and/or pump-leaks				
* 15	Exhaust system, manifolds, piping, muffler leaks and/or condition				
* 16	Engine-mounting, excessive grease and/or oil				
* 17	Clutch adjustment-free play				
* 18	Air filter, throttle linkage				
* 19	Starting and charging system				
* 20	Hydraulic brake system-adjustment, components, and/or condition				
* 21	Hydraulic master cylinder-level, leaks, and/or condition				
* 22	Hoses and tubing-condition, protection				
* 23	Air brake system-adjustment, compartments, and/or condition				
* 24	1 minute air or vacuum loss test				
* 25	Air compressor governor-cut in and cut out pressure (85-130)				
* 26	Primary air tank-drain and test function of check valve				
* 27	Other air tanks-drain and test function of check valve				
* 28	Tires-tread depth, inflation, condition				
* 29	Wheels, lug nuts, and stud-cracks				
* 30	Parking brake-able to hold the vehicle				
* 31	Emergency stopping system-labeled, operative				
* 32	Brakes do not release after complete loss of service air				
* 33	Steering system-mounting, free lash and components				
* 34	Steering arms, drag links, and/or tie rod ends				
* 35	Suspension system-springs, shackles, u-bolts, and/or torque rods				
* 36	Frame and cross members-cracks and/or condition				
* 37	Drive shaft, universal joints, and/or guards				
* 38	Transmission and differential-mounting, leaks, and/or condition				
* 39	Wheel seals-leaks and/or condition				
* 40	Under carriage-clean and secure				
SIGNATURES					
INSPECTOR NAME		INSPECTOR SIGNATURE		DATE	COMPANY
					PHONE #
GROUND TRANSPORTATION OFFICE USE ONLY					
AUTHORIZER		AUTHORIZER SIGNATURE		DATE	DATE RECEIVED
					ACCEPTED: YES <input type="checkbox"/> NO <input type="checkbox"/>

\*Inspection items above may or may not apply to all transportation modes.

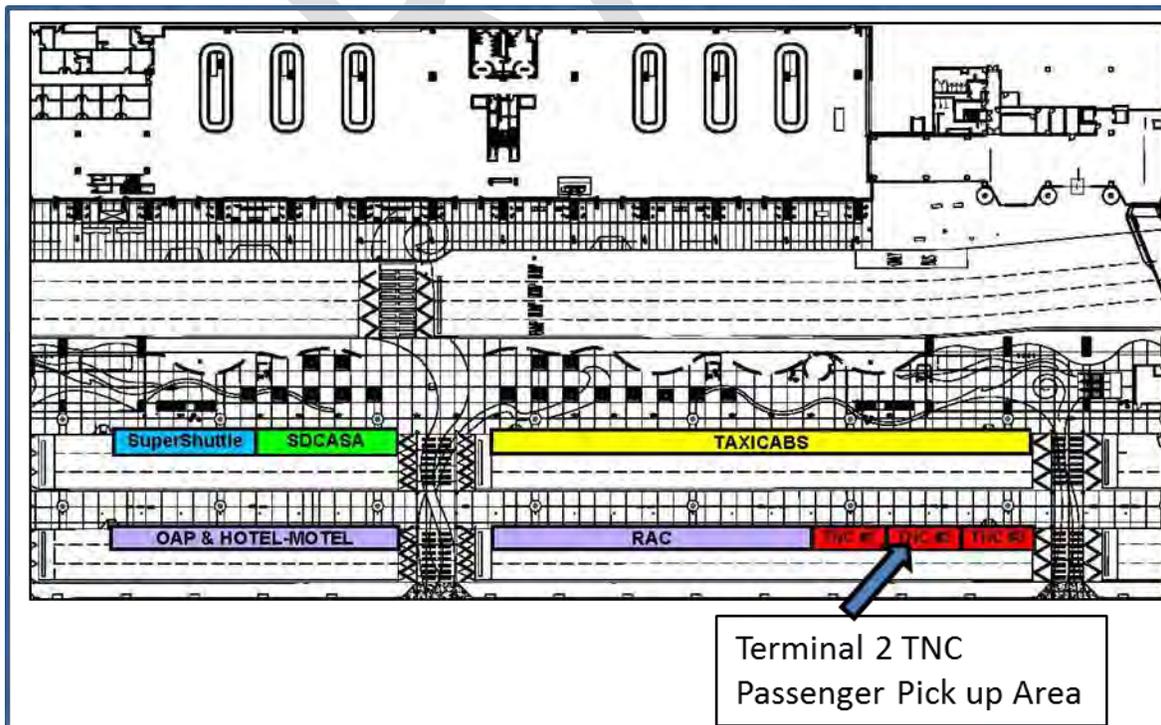
# TNC PASSENGER WAITING AND TERMINAL PICKUP AREAS

## EXHIBIT F

### CELL PHONE LOT



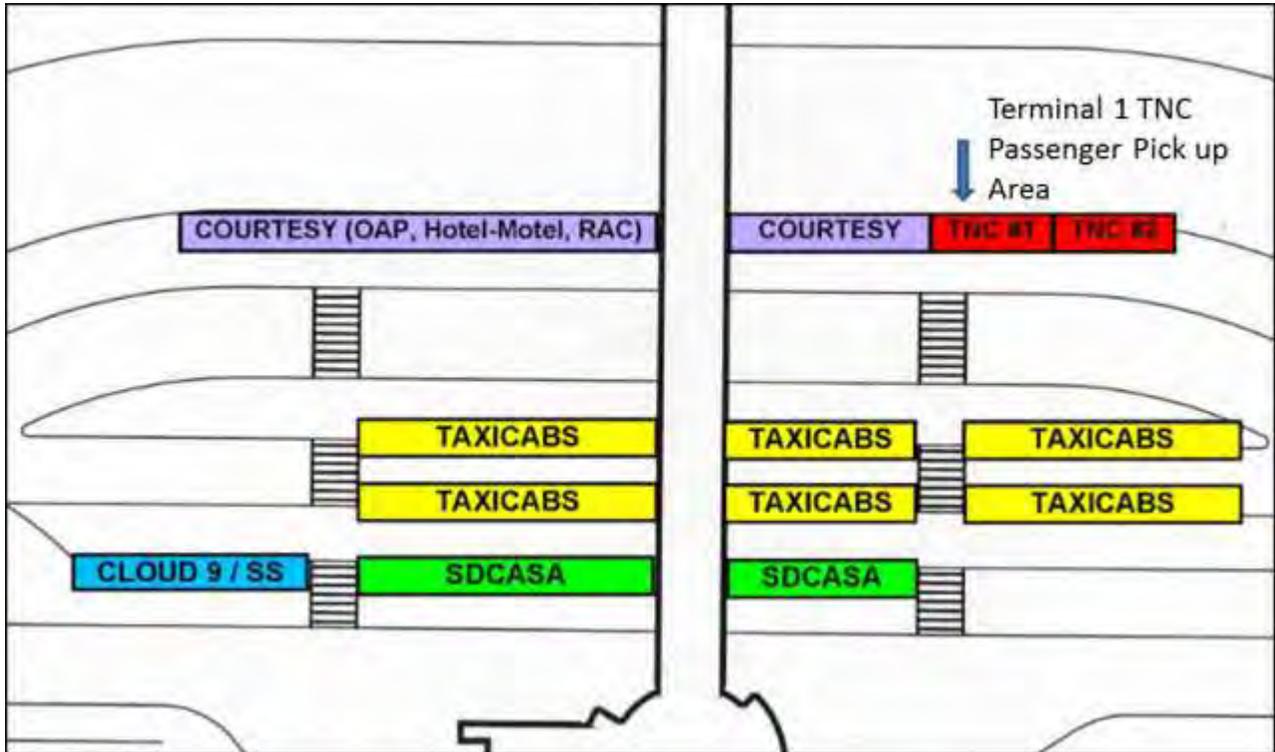
### TERMINAL 2



TNC PASSENGER WAITING AND TERMINAL PICKUP AREAS

**EXHIBIT F**

TERMINAL 1



**TRANSPORTATION NETWORK COMPANY  
COMMERCIAL GROUND TRANSPORTATION  
NON-EXCLUSIVE OPERATING PERMIT  
\* PILOT PROGRAM \***

**OF** \_\_\_\_\_ **[PERMITTEE]**

**dba:** \_\_\_\_\_

**AT SAN FRANCISCO INTERNATIONAL AIRPORT**

**PERMIT SUMMARY**

For the convenience of Permittee and City (as such terms are defined below), this Permit Summary (this “Summary”) summarizes certain terms of this Permit (as defined below). This Summary is not intended to be a detailed or complete description of the terms and conditions of this Permit, and reference must be made to the other Sections below for the particulars of this Permit. In the event of any inconsistency between the terms of this Summary and any other provision of this Permit, the provision of the Permit shall prevail. Capitalized terms used in the Permit and not defined elsewhere shall have the meanings provided in this Summary.

**Reference Date:** \_\_\_\_\_, 201\_  
[Date Permit signed by Permittee]

**Permittee Name:** \_\_\_\_\_  
**dba:** \_\_\_\_\_

**Notice Address:** \_\_\_\_\_  
(§ 12.1) \_\_\_\_\_

Attn: \_\_\_\_\_  
Tel. No.: \_\_\_\_\_  
Fax No.: \_\_\_\_\_  
email: \_\_\_\_\_

**City:** The City and County of San Francisco, a Municipal Corporation, acting by and through its Airport Commission

**City's Notice Address:** San Francisco International Airport  
(§ 12.1) Attn: Ground Transportation Permit Processing Unit  
PO Box 8097  
San Francisco, CA 94128-8097  
Tel. No. (650) 821-3600  
Fax No. (650) 821-3606

**Designated Areas:** Service areas designated from time to time by the Director for the Permitted Use. As of the date hereof, the areas so designated are described in *Exhibit A*.  
(§ 1)

**Permitted Use:** Drop-off: For the period of this Pilot Permit, Permittee is authorized to provide Charter Party ground transportation passenger service to airline passengers whose flights are departing from San Francisco International Airport ("SFO" or "Airport").  
(§ 3)  
Pick-up: For a period of ninety (90) calendar days from the date this permit is executed, and thereafter, at the sole and exclusive discretion of the Airport Director, Permittee is authorized to provide Charter Party ground transportation passenger service to airline passengers whose flights are arriving at SFO.

**Commencement Date:** The date on which the conditions precedent in Section 2. [Commencement Date] are satisfied.  
(§ 2) Actual date: \_\_\_\_\_

**Expiration Date** This Permit shall expire at 11:59 p.m. on August 31, 2015. Permit renewal is at the sole discretion of the Director.  
(§2.2)

**Deposit Amount:** \_\_\_\_\_ Dollars (\$\_\_\_\_\_)  
(§ 8) (subject to adjustment)

**Other Agreements:** None  
(§ 9)

**Attachments:** Appendix A: Current Designated Areas for TNC Services, as of the date of this Permit.  
Such Appendix is hereby incorporated herein and made a part hereof.  
Appendix B: Data Interface Agreement. Such Appendix is hereby incorporated herein and made a part hereof.

Initials of Authorized Representative of City \_\_\_\_\_

Initials of Authorized Representative of Permittee \_\_\_\_\_

**TRANSPORTATION NETWORK COMPANY  
COMMERCIAL GROUND TRANSPORTATION  
NON-EXCLUSIVE OPERATING PERMIT  
\* PILOT PROGRAM \***

OF \_\_\_\_\_ [PERMITTEE]

dba: \_\_\_\_\_

**AT SAN FRANCISCO INTERNATIONAL AIRPORT**

THIS TRANSPORTATION NETWORK COMPANY (“TNC”) COMMERCIAL GROUND TRANSPORTATION NON-EXCLUSIVE OPERATING PERMIT – PILOT PROGRAM (“Permit”), dated as of the Reference Date, is entered into by and between Permittee, and the City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission (“City”), which, in turn, acts by and through its Director. This Permit is made with reference to the following facts:

A. The City and County of San Francisco owns the San Francisco International Airport (“Airport”). The Airport is located in the County of San Mateo, State of California. The Airport Commission has charge of the management, operation, use and control of Airport property. The Airport Director (“Director”) is the chief executive officer of the Airport.

B. Under California Public Utilities Code §§ 21690.5-21690.10, the state Legislature has determined that the proper operation of the state’s publicly owned airports is essential to the welfare of the people of California; the operation of such airports is a governmental function to be discharged in the furtherance of the policy of securing the benefits of tourism and commerce for the state and its people; that such airports may grant, deny and/or limit concessions for services to the public; and that in managing its operations, publicly owned airports shall promote the development of commerce and tourism by: (1) securing a diversity of airport services, (2) avoiding wasteful duplication, (3) securing to the users of airports safe, courteous, and quality service, (4) limiting or prohibiting business competition which is destructive of the ends of promoting commerce and tourism in the state, (5) allocating limited airport resources to promote such ends, and (6) fostering California’s image as a commercial and tourist center.

C. On September 23, 2013, the California Public Utilities Commission (“CPUC”) issued its “Decision Adopting Rules and Regulations to Protect Public Safety While Allowing New Entrants to the Transportation Industry,” (“Decision”) which Decision includes, among other things, the following findings and orders:

1. A Transportation Network Company (“TNC”) is defined as an organization, whether a corporation, partnership, sole proprietor, or other form, operating in California that provides transportation services for compensation using an online-enabled application (app) or platform to connect passengers with drivers using their personal vehicles.

2. TNCs are Charter Party Carriers and must have a class P permit issued by the CPUC.
3. TNCs are not permitted to own vehicles used in their operations or to own their own fleets of vehicles.
4. Measures TNCs are required to use to ensure public safety include performing criminal background checks and California Department of Motor Vehicle checks on all drivers, and a 19-point vehicle inspection on all vehicles its drivers will use to perform TNC services.
5. TNCs must maintain commercial liability insurance providing at least \$1 million per incident coverage for incidents involving TNC drivers and vehicles engaged in TNC services.

D. Permittee desires to operate at the Airport, and Director has determined that such operations, on the terms and conditions of this Permit, would be desirable for the Airport for the duration of the Pilot Program. The terms and conditions of any subsequent permit, including, but not limited to the Transportation Requirements; Permit Fees, Reporting, and Record Keeping; and Waiver, and Insurance provisions may be modified at the sole and absolute discretion of the Airport Director.

E. Definitions. For purposes of this TNC Pilot Program, the following definitions shall apply:

1. Decision or CPUC Decision: The September 23, 2013 Decision by the CPUC regulating TNCs as charter party carriers. The Decision, as may be amended or supplemented while this Permit is in effect, is incorporated here by reference as if set forth in full.
2. Designated Trade Dress Location: The location on each TNC Vehicle where Permittee's Trade Dress, as described in the CPUC Decision, shall be located. The Designated Trade Dress Location shall be readily visible to the Airport's curbside enforcement team and must be approved by the Airport Director or his designee prior to Permittee commencing operations at the Airport.
3. Rules and Regulations: The Airport Rules and Regulations for, among other things, use of Airport roadways. The Airport Rules and Regulations, as may be amended or supplemented while this Permit is in effect, are incorporated here by reference as if set forth in full.
4. TNC Driver: An individual who has been approved by Permittee to use his/her privately-owned vehicle to transport passengers whose rides are arranged through the TNC's online-enabled application. For purposes of this Permit, the term "TNC Driver" applies at all times that a Permittee's driver is on Airport property by reason of the driver's relationship with the TNC Permittee, regardless of whether the TNC Vehicle is carrying a passenger.
5. Permittee: The charter party carrier that has been issued a TNC permit by the CPUC to operate in the State of California and that is a signatory to this Permit.

6. TNC Vehicle: The personal, privately-owned vehicle used by a TNC Driver, which vehicle has passed the 19-point safety inspection referenced in the CPUC Decision and is insured by the vehicle's owner and covered by the TNCs commercial liability insurance policy.

Accordingly, Permittee and City agree as follows:

## 1. PERMIT

1.1. Permittee's Right to Use Designated Areas. City, acting by and through Director, grants to Permittee a revocable, personal privilege to use, in common with others so authorized, the Designated Areas to provide the Permitted Use, subject to the terms and conditions hereinafter set forth. As described below, this Permit may be revoked by Director at any time, without cause. This Permit gives Permittee a license only. Nothing in this Permit shall be construed as granting or creating any franchise rights pursuant to any federal, state or local laws. Permittee's rights to use the Designated Areas shall be on a non-exclusive basis. Consistent with the terms of the CPUC Decision, the Permittee shall perform all driver background checks and vehicle safety checks required by the Decision and all TNC Drivers identified by Permittee to the Airport shall be permitted to operate under Permittee's permit, unless otherwise stated herein.

1.2. Rights of Ingress and Egress. Permittee shall have the non-exclusive rights of ingress and egress across Airport property to conduct its permitted operations hereunder provided that such ingress and egress activity: (a) shall not impede or interfere with the operation of Airport by City or the use of the Airport by its tenants, passengers, or employees; (b) shall be subject to Airport Rules and Regulations, as amended from time to time ("Airport Rules"), including those pertaining to badge, permitting, and other security requirements, and the requirements of this Permit; (c) shall be on roadways, and other areas designed by Director from time to time; and (d) may be suspended or revoked by Director in the event of an emergency or threat to the Airport.

1.3. Changes to Airport. Permittee acknowledges and agrees that: (a) City shall have the right at all times to change, alter, expand, and contract the Airport, including the terminals, roadways, and designated pick-up, drop-off, and staging areas; (b) City has made no representations, warranties, or covenants to Permittee regarding Airport design, construction, or the conditions for passenger or automobile traffic. Without limiting the generality of the preceding clauses of this paragraph, Permittee acknowledges and agrees that the Airport (i) is currently undergoing, and may from time to time hereafter undergo, renovation, construction, and other Airport modifications; and (ii) may from time to time adopt rules and regulations relating to security and other operational concerns that may affect Permittee's business.

1.4. "As-Is" Condition. Permittee accepts the Designated Areas in their present condition and "as-is," without representation or warranty of any kind, and subject to all applicable Laws (as defined below). City shall have no obligation to alter, renovate, or otherwise change the Designated Areas. City shall have no obligation to provide utility services to the Designated Areas.

## **2. COMMENCEMENT DATE; REVOCATION**

2.1. Commencement Date. This Permit shall be effective, and the “Commencement Date” shall be deemed to occur, on the date on which all of the following conditions precedent are satisfied, in Director’s sole discretion:

- (a) Director shall have received certificates evidencing that Permittee has obtained all insurance required by this Permit.
- (b) Director shall have received the Deposit (as defined in Section 8 below), in the amount determined by Director.
- (c) Permittee shall have instructed each TNC Driver regarding the terms of this Permit, including, but not limited to the requirement that TNC Drivers shall comply with Airport Rules and Regulations, which Rules and Regulations shall be made available by Permittee to its TNC Drivers.
- (d) Permittee shall have filed with the Airport, and obtained the Director’s approval of, Permittee’s Charter Party Certificate for operation as a TNC currently authorized by the CPUC and complied with the requirements set forth in Section 3.3 of this Permit. To the extent the Director shall have conditioned his or her approval of these items, such conditions shall be incorporated herein and Permittee shall abide by such conditions.
- (e) Permittee shall have filed with the Director all items listed in the Transportation Requirements described in Section 3.3 of this Permit.
- (f) Director shall have received two (2) duplicate originals of this Permit, fully-executed by Permittee and City.

2.2. Permit Term. This Permit shall remain in effect until 11:59 p.m., on August 31, 2015. Permit renewal is at the sole discretion of the Director. In no event shall a permit be renewed unless and until all fees owing to the Airport by the Permittee and its TNC Drivers have been paid in full.

2.3. Revocation; Termination. This Permit may be revoked or mutually terminated as follows:

- (a) This Permit is revocable at any time, in the sole and absolute discretion of Director. Such revocation shall be accomplished by giving thirty (30) days’ prior notice to Permittee. Notwithstanding the foregoing, Director may also terminate the Permit upon the occurrence of an Event of Default (as defined below) without such 30-day notice.
- (b) Permittee may terminate this Permit by giving thirty (30) days’ prior notice to Director.

## **3. USE**

3.1. Permitted Use. Permittee may use the Designated Areas only for the Permitted Use, and shall not conduct any activity or operations on the Airport not specifically included within the Permitted Use.

3.2. No Exclusivity. Permittee acknowledges and agrees that Permittee has no exclusive right to conduct the business described herein and that Director may arrange with others for similar activities at the Airport.

3.3. Transportation Requirements. In conducting its operations consisting solely of the Permitted Use, without limiting the generality of other provisions of this Permit, Permittee shall strictly comply with the following transportation requirements as amended from time to time by Director:

(a) TNC Driver and Vehicle Certification.

Upon issuance of this Permit, Permittee shall certify in a form determined by the Airport that the following safety criteria have been met: (i) every TNC Driver has a valid California driver's license and valid personal automobile insurance meeting the minimum requirements for the State of California; (ii) Permittee has completed a DMV record check and criminal history check of each TNC Driver, consistent with the requirements in the Decision; and (iii) Permittee has completed the 19-point inspection described in the Decision for each TNC Vehicle.

(b) TNC Driver Identification

For the term of the Pilot Permit, Permittee shall not be required to provide TNC driver identification information to the Airport. However, Permittee shall provide the Airport with a unique identifier for each TNC Driver who conducts business on Airport property. The unique identifier data required is further described in the Data Interface Agreement, set forth in Appendix B to this Agreement. Further, in the event the Airport determines that it requires driver identification information for permit and/or Rules and Regulations enforcement, Permittee shall provide such information to Airport as requested. This information shall be provided to the Airport telephonically and Permittee shall promptly respond to all such telephonic inquiries from the Airport and/or enforcement personnel from the San Francisco Police Department-Airport Bureau. Permittee expressly understands the Airport may require such information in any future TNC permit and that the terms of this Pilot Permit in no way establish a precedent or any limitation whatsoever on the discretion of the Airport Director to add to or subtract from or otherwise alter operating permit requirements. Further, Permittee understands that the Airport is developing a Ground Transportation Management System that may require TNC driver identification in any future permit. Permittee shall cooperate with assigned Airport staff during the course of the Pilot Permit term to determine whether and how a future permit, if one should be granted by the Airport Director, may include tracking TNC driver identification.

(c) Tracking TNC Vehicles on Airport Roadways.

i. Unique Identifiers and License Plate Numbers

Prior to engaging in operations at the Airport and at Permittee's sole expense, Permittee shall work with assigned Airport personnel to develop a vehicle tracking protocol based on a Geo-Fence established by the Airport and consistent with the User Interface Agreement set forth in Appendix A to this Pilot Permit. The Geo-Fence shall be comprised of one or more polygons whose points are geographic coordinates defined by the Airport on City-owned property under the Airport's management. TNC vehicle tracking shall be established as follows: All TNC vehicles shall be identified electronically for each TNC trip by a unique number and the TNC license plate number. The unique number shall be linked by the Permittee to the driver in a manner that allows

the City to audit Permittee's compliance with the permit terms and the operating requirements established by the CPUC. Consistent with the auditing provisions in this Pilot Permit, the City shall periodically audit Permittee's records with respect to its operations at SFO. For the term of this Pilot Permit, all such audits shall take place in Permittee's San Francisco office.

ii. Tracking Triggers

TNC vehicle trips shall be tracked at various stages based on transaction type described below. For each transaction type, Permittee shall provide the transaction type date, time, geographical location, TNC identification, driver-based unique identifier and vehicle license plate number. TNC Driver must maintain an open application at all times while on Airport property.

- Upon Entry: Upon entry into the Geo-Fence, Permittee shall electronically notify ("ping") the Airport, in real time with the unique identifier and license plate number of each TNC Vehicle, including date, time, geographical location, TNC identification, driver-based unique identifier, vehicle license plate number and the number of active TNC rides in the vehicle at the time of entry. The ping shall be transmitted by Permittee to the Airport at the moment each TNC Vehicle crosses the Geo-Fence.
- Upon Ride Completion (on Airport property): When the TNC Driver completes a drop-off trip by indicating on his or her smart phone app that the ride is complete, Permittee shall instantaneously send a second ping to the Airport, including date, time, geographical location, TNC identification, driver-based unique identifier, vehicle license plate number and the number of active TNC rides remaining in the TNC Vehicle following ride completion.
- Upon Passenger Pick-Up (on Airport property): For the ninety (90) day period during which TNC pick-ups are allowed under this Permit, and thereafter, in the event the Airport Director elects to extend pick-up privileges, when the TNC Driver picks-ups a passenger on Airport property by indicating on his or her smart phone app that a passenger has been picked up, Permittee shall instantaneously send a ping to the Airport, including date, time, geographical location, TNC identification, driver-based unique identifier, vehicle license plate number and the number of active TNC rides remaining in the TNC Vehicle following passenger pick up.
- Exiting the Geo-Fence: Upon exiting the Geo-Fence, Permittee shall instantaneously send a final ping to the Airport, including date, time, geographical location, TNC identification, driver-based unique identifier, vehicle license plate number and the number of active TNC rides remaining in the TNC Vehicle following passenger pick up.

(d) Trade Dress and Removable Airport Permit Identifier

Any TNC Vehicle on Airport property shall at all times display: (i) Trade Dress; and (ii) an Airport Permit Placard. Failure of a TNC Vehicle to have both of these TNC indicators shall be deemed a violation of this Permit.

(i) Trade Dress. Permittee shall provide the Airport with a photograph of Permittee's Trade Dress, along with a description of the Designated Trade Dress Location, which location must be approved by the Airport Director or his designee before Permittee commences operations at the Airport. While operating on Airport roadways, whether or not carrying a passenger, every TNC Vehicle operating under Permittee's permit shall display Permittee's Trade Dress in the Designated Trade Dress Location.

(ii) Placard. The Airport shall provide the Permittee with an Airport Permit Placard template to be used for each of Permittee's TNC Vehicles. The Permittee shall assign one Placard for each of its TNC Vehicles. The Permittee shall indicate the assigned TNC Vehicle on each Placard by inserting the license plate number for that TNC Vehicle in the Placard template, where indicated. Each TNC Vehicle shall display the Placard on its dashboard. While operating on Airport roadways, whether or not carrying a passenger, every TNC Vehicle operating under Permittee's permit shall display Permittee's Placard on its dashboard.

(iii) Removal. In the event that a TNC Vehicle is removed from Permittee's list of vehicles authorized to operate at the Airport under this Permit, Permittee shall be responsible for retrieving and destroying the Placard.

(e) Suspension of Pick-Up Privileges

In the event the Airport Director determines, in his sole discretion, to suspend Permittee's passenger pick-up privileges, Permittee shall promptly effect this prohibition through its application technology, such as by blocking out Airport property as a location available for pick-up or taking other steps as necessary to inform its drivers and customers of the prohibition.

(f) Electronic Waybills.

TNC Drivers must be prepared to present an electronic waybill to any law enforcement officer or representative of the City upon request, which waybill shall include the unique identifier number and license plate number described in § 3.3(c) herein. The electronic waybill must comply with the CPUC Decision and shall include a photograph of the TNC Driver, a photograph of the TNC Vehicle, including the vehicle license plate number, and information regarding the pick-up location of the most recent passenger.

(g) TNC Driver Training.

Permittee shall be responsible for ensuring that TNC Drivers use the Designated Areas approved by the Director for passenger drop-off and that TNC Drivers comply with the provisions of this Permit and the Airport's Rules and Regulations. In addition, prior to engaging in operations under this Permit, Permittee shall attend an orientation training at an Airport location determined by the Director or his designee, and shall convey the

substance of the training to each TNC Driver before each such driver operates on Airport roadways. Permittee shall make its training available to the Airport upon request.

(h) TNC Notice to Drivers

Permittee shall promptly notify TNC Drivers of any and all current and changed permit conditions and shall promptly notify the Airport, in writing, that it has done so. Further, each time an individual TNC Driver fails to comply with the conditions of this Pilot Permit, whether such failure is discovered by Permittee or brought to Permittee's attention by the Airport, Permittee shall promptly notify such TNC Driver, direct TNC Driver to immediately come into compliance, and TNC shall promptly notify the Airport, in writing, that it has done so.

3.4. Staging Area. All TNC Vehicles not actively loading or unloading passengers shall be parked in the designated staging area as described in Appendix A, and shall keep trade dress exhibited as described elsewhere in this Pilot Permit. In the event a TNC Driver accepts a ride on behalf of another TNC while in the designated staging area, TNC Driver shall promptly apply the appropriate trade dress before exiting the designated staging area. TNC Vehicles may only enter the Airport terminal roadways if carrying an Airport-bound passenger or if a ride request has been accepted from a customer at the Airport. City reserves the right to charge a fee for use of the staging area in an amount determined by the Director at his sole discretion. Use of the staging area shall be limited to 30 minutes or the posted time limits, whichever period is shorter. No TNC Vehicles shall stage, wait or park in any other areas of the Airport other than the designated staging area, nor shall TNC Vehicles loop around terminal roadways or any other Airport roadways while waiting for a pick-up.

3.5. Advertising and Promotions Prohibited. Neither Permittee nor any TNC Driver shall conduct any advertising or promotional activities on the Airport. Without limiting the generality of the preceding sentence, this prohibition includes: (a) posting any rates or transportation fares; (b) any advertising of cigarette or tobacco products, including electronic cigarettes; and/or (c) vehicle wrapping or other method of using the exterior of a TNC Vehicle to advertise or promote goods or services. Excluded from this section is Permittee's trade dress.

3.6. General Prohibited Activities. Permittee and TNC Drivers shall, at all times, comply with the Airport's Rules and Regulations. In the event the administrative fines set forth in the existing Rules and Regulations do not specifically address Permittee and/or TNC Drivers, the fees related to conduct of limousine drivers and/or limousine permittees shall apply. Without limiting any other provision of this Permit, Permittee and TNC Drivers shall not, without the prior written consent of Director:

- (a) cause or permit anything to be done, in or about the Designated Areas, or bring or keep anything thereon which might (i) increase in any way the rate of fire insurance on the Airport; (ii) create a nuisance; (iii) in any way obstruct or interfere with the rights of others on the Airport or injure or annoy them;
- (b) commit or suffer to be committed any waste upon the Designated Areas;
- (c) use, or allow the Designated Areas to be used, for any improper, immoral, unlawful or objectionable purpose;
- (d) place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, stairways or escalators, in front of, within, or adjacent to the Terminal Building Complex or the roadways;

(e) do or permit to be done anything in any way tending to injure the reputation of City or appearance of the Airport; or

(f) violate any applicable Airport Rules and Regulations.

3.7. Other Prohibited Activities. Without limiting the generality of other provisions of this Permit, the following activities are prohibited by Permittee, TNC Drivers, TNC's employees or independent contractors:

- (a) Turning off or disabling a TNC app when a TNC Vehicle is on Airport property.
- (b) Operation of a TNC Vehicle on Airport roadways by an unauthorized driver;
- (c) Transporting a TNC passenger in an unauthorized vehicle;
- (d) Picking up or discharging passengers or their baggage at any terminal level or location other than the Designated Areas;
- (e) Leaving a vehicle unattended;
- (f) Failing to maintain the interior and exterior of TNC Vehicles in a clean condition;
- (g) Littering on the Airport premises;
- (h) Failing to provide information or providing false information to law enforcement or Airport personnel;
- (i) Operating a TNC Vehicle without the Trade Dress and Placard, as provided in Section 3.3(d), above;
- (j) Soliciting passengers on Airport property;
- (k) Recirculating anywhere on Airport roadways;
- (l) Using or possessing any alcoholic beverage, or dangerous drugs or narcotic while on Airport roadways;
- (m) Failing to operate a TNC Vehicle in a safe manner as required by the California Vehicle Code;
- (n) Failing to comply with posted speed limits and traffic control signs;
- (o) Using profane or vulgar language in the presence of any member of the public;
- (p) Soliciting for or on behalf of any hotel, motel, club, nightclub or other business;
- (q) Soliciting of any activity prohibited by the California Penal Code;
- (r) Operating a vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment as defined in the California Vehicle Code and the California Bureau of Automotive Repair;
- (s) Disconnecting any pollution control equipment;
- (t) Double parking on Airport roadways;
- (u) Operating a vehicle without CPUC certification or at any time during which Permittee's CPUC authority is suspended or revoked; and
- (v) Engaging in any criminal activity.

3.8. Inspections; Audit of Operations. At any time, City may conduct an inspection or audit of Permittee's operations at the Airport to confirm that such operations comply with the requirements set forth in this Permit. Permittee shall cooperate with such inspection and/or audit. In the event an inspection or audit shows that Permittee is not complying with the requirements of this Permit, without limiting City's ability to determine a default under this Permit, City may require that Permittee reimburse City for the costs of such inspection and/or audit. Permittee shall promptly remedy any noncompliance shown in any such inspection and/or audit.

3.9. Representative of Permittee. Permittee shall provide Airport with name, address, telephone and email address for at least one qualified representative authorized to represent and act for it in matters pertaining to its operation, and shall keep Director informed in writing of the identity of each such person.

#### **4. PERMIT FEES, REPORTING, AND RECORD KEEPING**

4.1. Defined Terms. For the purposes of this Section 4, the following capitalized terms shall have the following meanings:

(a) "Trip" means each instance in which one of Permittee's vehicles drops-off or picks up a passenger on Airport property. For example, if a TNC Vehicle drops-off a customer and then picks-up another customer without leaving Airport property, that would equal two trips.

(b) "Per Trip Fee" shall be \$3.85 for each drop-off and \$3.85 for each pick-up.

(c) "Monthly Permit Fee" means the product of (a) the number of Trips conducted by Permittee's TNC Vehicles in one calendar month and (b) the Per Trip Fee then in effect.

(d) "Unpermitted Operations Period" means all TNC Vehicle drop-off and pick-up activities by TNC Drivers operating to, on or from Airport property using Permittee's app from the period of April 15, 2014 through the date the tracking processes described in this Pilot Permit are fully operational.

(d) "Permit Activation Fee" means a one-time fee based on Permittee's activity at SFO during the Unpermitted Operations Period.

#### 4.2 Permit Activation Fee

Permittee shall pay a Permit Activation Fee of either: (a) an amount representing actual unpaid Per Trip Fees during the Unpermitted Operations Period; or (b) the flat rate of \$100,000.

If Permittee elects option (a), then Permittee shall submit documentation supporting a calculation of all trips to, on or from SFO during the Unpermitted Operations Period. The documentation shall be submitted and remittance of the Permit Activation Fee shall be made in two installments: (1) for the period from April 15, 2014 through and including September 15, 2014; (2) for the period from September 16, 2014 to the date that the tracking processes described in the Permit are fully operational. If Permittee elects option (b), it shall submit the Permit Activation Fee with its signed Permit.

Upon final payment of the Trip Activation Fee, no further administrative monetary fees will be charged for the Unpermitted Operations Period.

#### 4.3 Monthly Permit Fee.

- (a) The Permittee shall pay to the Airport a Monthly Permit Fee. A separate Per Trip Fee shall be assessed for each drop-off and each pick-up, such that a TNC Driver who drops off a passenger and then picks up another will result in a payment of two Per Trip Fees. The Monthly Permit Fee is due in full, and received by the Airport, within fifteen calendar days of the close of any calendar month.
- (b) The Monthly Permit Fee may be paid by ACH or wire transfer, check, or credit card.
- (c) The Monthly Permit Fee shall be accompanied by a full reporting of the Permittee's Airport operations for the payment period, as provided in Section 4.3 below.
- (d) All amounts due under this Permit, including Monthly Permit Fee, shall be paid in lawful money of the United States, free from all claims, demands, setoffs, or counterclaims of any kind. Any amounts due under this Permit, including the Monthly Permit Fee, not paid when due shall be subject to a service charge equal to the lesser of the rate of one and one-half percent (1½%) per month, and the maximum rate permitted by law. Acceptance of any service charge shall not constitute a waiver of Permittee's default on the overdue amount or prevent City from exercising any of the other rights and remedies available to City.

4.4. Monthly Report. Within fifteen calendar days of the close of any calendar month while this Permit is in effect, Permittee shall submit to the City its operations report for the previous calendar month (the "Monthly Report"). The Monthly Report shall be in an agreed-upon electronic format and shall include for each date of operations and for each Trip: (a) license plate number of the TNC Vehicle and (b) time of entry into and exit from Airport property. The Monthly Report shall also include the total number of Trips for the reporting period.

#### 4.5. Books and Records.

- (a) Audit and Inspection of Records: Permittee agrees to maintain and make available to the City, during regular business hours, accurate books and accounting records relating to its operations under this Permit. Permittee will permit City to audit, examine and make excerpts and transcripts from such books and records, and to make audits of all invoices, materials, records and other data related to all other matters covered by this Permit. Permittee shall maintain such data and records in an accessible location and condition for a period of not less than five years from the expiration of the Permit or the last date of operations at the Airport, whichever is later. The State of California or any federal agency having an interest in the subject matter of this Permit shall have the same rights conferred upon City by this Section. Permittee agrees to maintain all books, records, accounts and reports required under this Permit for a period of not less than five years after the later of: (i) the date of termination or expiration of this Permit, except in the event of litigation or (ii) settlement of claims arising from the performance of this Permit, in which case Company agrees to maintain same until the City has disposed of all such litigation, appeals, claims or exceptions related thereto.
- (b) Reports: The Airport reserves the right to request any and all reports deemed necessary from the Permittee in the performance and auditing of this Permit at no cost to the Airport. These reports must be submitted within two (2) weeks from the date the request was made unless instructed otherwise in writing from the Airport. Failure to

submit reports on a timely basis may be considered a material breach of the Permit and grounds for termination.

(c) Other Data. Permittee shall also maintain internal or third party information system reviews, audits, or specialized testing performed for three years (current fiscal year plus two preceding fiscal years). (*e.g.*, Statement on Standards for Attestation Engagements (SSAE) No. 16, Reporting on Controls at a Service Organization, from the Auditing Standards Board of the American Institute of Certified Public Accountants (AICPA)) and make such data available to the City upon request. Failure to provide complete and accurate reports on a timely basis may be considered a material breach of the Permit and subject to any remedies in law or equity including the termination of the Permit at the sole discretion of the Airport Director. The specific reports and format required may be amended from time to time upon express approval of the City.

(d) Should any examination, inspection, and audit of Permittee's books and records by City disclose an underpayment by Permittee of the consideration due, Permittee shall promptly pay City the amount of such underpayment. If such underpayment exceeds five percent (5%) of the consideration due, Permittee shall reimburse City for all costs incurred in the conduct of such examination, inspection, and audit. Without limiting the generality of Section 12.11, in the event that City deems it necessary to use the service of legal counsel in connection with collecting the reimbursement for such examination, inspection, and audit, then Permittee shall reimburse City for reasonable attorney's fees and litigation expenses as part of the aforementioned costs incurred.

(e) Disclosure of Records. Permittee recognizes that books and records regarding its operations under this Pilot Permit may be subject to disclosure under the California Public Records Act (Cal. Govt. Code §§ 6250 *et seq*) and/or the San Francisco Sunshine Ordinance (Admin. Code Chapter 67), collectively "Public Disclosure Authorities." The Airport understands that Permittee may contend that the TNC Driver identification information and the TNC Vehicle license plate information referred to in Appendix B, the Data Interface Agreement, is a trade secret not subject to disclosure. Although the Airport lacks sufficient information to determine whether such information is a trade secret for purposes of Public Disclosure Authorities, in the event the Airport receives a third party request for the Permittee's TNC Driver identification information and/or TNC Vehicle license plate information under the Public Disclosure Authorities, it will make its best efforts to promptly notify Permittee of such request and to not make an immediate disclosure; the intent would be to provide the Permittee with the opportunity to seek court intervention concerning the potential disclosure of confidential information or trade secret. In the absence of an order issued by a court of competent jurisdiction prohibiting disclosure of any such information, the Airport would comply with the applicable disclosure requirements.

## 5. ASSIGNMENT

5.1. No Assignment. Permittee shall not assign, encumber, or otherwise transfer, whether voluntary or involuntary or by operation of law, this Permit, or any right hereunder, without Director's prior written consent, which consent may be granted or denied in Director's sole and absolute discretion (the term "**Transfer**" shall mean any such assignment, encumbrance, or

transfer). Director's consent to one Transfer shall not be deemed a consent to subsequent Transfers. Any Transfer made without Director's consent shall constitute a default hereunder and shall be voidable at Director's election.

5.2. Changes in Permittee. The merger of Permittee with any other entity or the transfer of any controlling ownership interest in Permittee, or the assignment or transfer of a substantial portion of the assets of Permittee shall constitute a Transfer. Without limiting the generality of the foregoing, if Permittee is a partnership, a withdrawal or change, voluntary, involuntary or by operation of law of the partner or partners owning fifty-one percent (51%) or more of the partnership, or the dissolution of the partnership, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of the partnership, shall be deemed a Transfer. If Permittee is a corporation or limited liability company, any dissolution, merger, consolidation or other reorganization of Permittee, or the sale or other transfer of a controlling percentage of the capital stock or membership interests of Permittee, or the sale or transfer of at least fifty-one percent (51%) of the value of the assets of Permittee, shall be deemed a Transfer. The phrase "controlling percentage" means the ownership of, and the right to vote, stock or interests possessing at least fifty-one percent (51%) of the total combined voting power of all classes of Permittee's capital stock or interests issued, outstanding and entitled to vote for the election of directors. Without limiting the restrictions on asset transfers, this paragraph shall not apply to stock or limited liability company interest transfers of corporations or limited liability companies the stock or interests of which is traded through an exchange or over the counter.

5.3. No Release. In no event will Director's consent to a Transfer be deemed to be a release of Permittee as primary obligor hereunder.

## **6. COMPLIANCE WITH LAWS**

At all times, Permittee shall cause its use of the Airport and its operations under this Permit to comply with all applicable federal, state and local laws, ordinances, rules, regulations, and directives, as may be amended from time to time, whether foreseen or unforeseen, ordinary or extraordinary, including but not limited to those relating to (a) health and safety, especially those pertaining to public safety such as safe driving practices, seat belts, child seats, and drug testing; (b) disabled access, including the Americans with Disabilities Act, 42 U.S.C. Sections 12101, *et seq.*, and Title 24 of the California Code of Regulations; (c) hazardous materials (see Section 10 below); (d) transportation. Permittee shall comply with the Airport Rules and Regulations and any applicable directives, meaning Airport Operating Bulletins of the Director, and all oral and/or written instructions given to Permittee by the Airport through Landside Operations or designated City representative. The City, the Airport Commission, its members, officers, agents, and employees of each of them, and their successors and assigns, shall have no liability and Permittee waives any liability for any diminution or deprivation of Permittee's rights by its compliance with this Section 6.

## **7. WAIVER; INDEMNITY; INSURANCE**

7.1. Waiver. Permittee covenants and agrees that City shall not at any time to any extent whatsoever be liable, responsible or in any way accountable for, and Permittee waives and releases any claim (including any claim for contractual or implied indemnity) against City, for Losses which (a) at any time after the Reference Date may be suffered or sustained by Permittee or any TNC Driver arising out of Permittee's operations, or (b) are caused in whole or in part by any act or omission (whether negligent, non-negligent or otherwise) of Permittee or any Permittee Entity or TNC Driver, whether or not such Losses shall be caused in part by any act,

omission or negligence of any City Entity, except if caused solely by the gross negligence or willful misconduct of City.

7.2. Indemnity. In addition to, and not in limitation of the foregoing, Permittee shall indemnify, and save harmless City and its officers, agents and employees, and, if requested, shall defend them from and against any and all Losses caused in whole or in part by (a) any act or omission of Permittee or any Permittee Entity or TNC Driver, (b) Permittee's operations at the Airport, or (c) any default by Permittee or any Permittee Entity or TNC Driver in the observance or performance of any of the terms, covenants, or conditions of this Permit, whether or not any such Losses shall be caused in part by any act, omission or negligence of City or any City Entity, except if caused solely by the gross negligence or willful misconduct of City.

7.3. Losses. For purposes hereof "Losses" shall mean any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys' fees, investigation costs, remediation costs, and court costs), of any kind or nature.

7.4. Notice. Without limiting the foregoing waiver and indemnity, each party hereto shall give to the other prompt and timely written notice of any Loss coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

7.5. Insurance. Permittee acknowledges and agrees that the following insurance coverages are mandatory for purposes of this Pilot Program; data collected during the course of the program may result in changes to insurance coverages and amounts in future permits for TNC operations. Permittee shall procure and maintain during the term of this Permit the following minimum insurance:

(a) Workers' Compensation Insurance in statutory limits with Employer's Liability limits not less than \$1,000,000 each accident.

(b) Commercial, primary liability insurance policies shall provide per-incident coverage in the following amounts while a TNC vehicle is on the Airport premises:

Period 1: Not less than Fifty Thousand Dollars (\$50,000) for death and injury per person, One Hundred Thousand Dollars (\$100,000) for death and injury per-incident, and Thirty Thousand Dollars (\$30,000) for property damage for all of the following conditions: (a) a TNC Vehicle is on Airport property; (b) the TNC Driver's app is on or open (or otherwise indicating availability through the TNC platform); (c) the TNC Vehicle has no passenger; and (d) the TNC Driver has not accepted a ride request. Consistent with § 3.3(c)(ii), all TNC Drivers shall have their apps open for the entire time they are on Airport property.

Period 2: Not less than One Million Dollars (\$1 million) per-incident when the driver's app is on and the driver has accepted a ride request. For purposes of this Pilot Program a TNC Driver is in Period 2 either (a) after he or she has dropped off a passenger on Airport property and has accepted a ride request for pick-up on or off Airport property or (b) after he or she enters Airport property for the purpose of meeting a requested pick-up.

Period 3: Not less than One Million Dollars (\$1 million) per-incident when a TNC driver is carrying a passenger on Airport property.

(c) Excess commercial liability insurance of not less than Two Hundred Thousand Dollars (\$200,000) per-incident for all of the following conditions: (a) a TNC Vehicle is on Airport property; (b) the TNC Driver's app is on or open (or otherwise indicating availability through the TNC platform); (c) the TNC Vehicle has no passenger; and (d) the TNC Driver has not accepted a ride request. Consistent with § 3.3(c)(ii), all TNC Drivers shall have their apps open for the entire time they are on Airport property.

In all cases, the insurance coverage shall be available to cover claims regardless of whether a TNC Driver maintains insurance adequate to cover any portion of the claim.

7.6. Form of Policies. All liability insurance policies shall be endorsed or otherwise to provide the following:

(a) Name as additional insured the City and County of San Francisco, the Airport Commission and its members, and all of the officers, agents, and employees of each of them (collectively "Additional Insureds").

(b) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Permit, and that insurance applies separately to each insured against whom claim is made or suit is brought. No other insurance effected by City will be called upon to contribute to a loss covered hereby.

(c) Severability of Interests (Cross Liability): The term "the insured" is used severally and not collectively, and the insurance afforded under the liability coverages applies separately to each insured against whom claim is made or suit is brought, but the inclusion herein of more than one insured shall not operate to increase the limits of the company's liability.

(d) Notice of Cancellation. All policies shall provide that the insurance company shall provide thirty (30) days prior written notice to City of cancellation, or reduction in coverage or limits, delivered to City at City's Notice Address. Prior to issuance of the permit, Permittee shall provide evidence to City of proof of insurance coverage for a minimum period of not less than ninety (90) days.

7.7. Delivery of Policies or Certificates. On or before the Commencement Date, Permittee shall provide to City copies of its insurance certificates evidencing the above insurance, and, upon request, promptly provide copies of the required insurance policies.

7.8. Subrogation. Notwithstanding anything to the contrary herein, Permittee waives any right of recovery against City for any loss or damage to the extent the same is covered by Permittee's workers' compensation and property insurance. Permittee shall obtain from its insurer, if possible, a waiver of subrogation the insurer may have against City or any City Entity in connection with any Loss covered by Permittee's property insurance policy.

7.9. Coverage. At a minimum, Permittee shall carry all policies and coverages required in the CPUC Decision and any subsequent CPUC Rule or state or federal statute, or applicable local ordinance.

## **8. DEPOSIT**

8.1. Amount of Deposit. Upon execution of this Permit, Permittee will deliver to Director a security deposit (the "Deposit") equal to the minimum Deposit amount specified in the Permit Application. As this Permit is part of the Pilot Program, the Airport Director has set an estimated Deposit as a basis for the Permit Application. The Director may, at his sole discretion, adjust the Deposit amount at any time after three months from the date the Permit is issued to establish a Deposit amount approximately equal to two months of the Monthly Permit Fee.

8.2. Form of Deposit. Such Deposit shall be in the form of: (a) a surety bond payable to City, naming City as obligee, and otherwise in form satisfactory to the City Attorney, and issued by a surety company satisfactory to Director; or (b) a letter of credit naming City as beneficiary, and otherwise in form satisfactory to the City Attorney, issued by a bank satisfactory to Director. With Director's consent, Permittee shall be permitted to submit as a Deposit a treasury bond, a certificate of deposit, or a certified check, or a credit card, all in form satisfactory to Director, in the Deposit Amount, to the extent the same is permitted by Commission policy. Such Deposit shall be reviewed and adjusted in the event this Permit is extended beyond the specified term, all at Permittee's cost, such that at all times, the Deposit is equal to the higher of (i) the minimum Deposit Amount specified in the Permit Application or (ii) six (6) months of Monthly Permit Fees estimated by Director. Such bond or letter of credit shall be kept in full force and effect at all times to ensure the faithful performance by Permittee of all covenants, terms, and conditions of this Permit, including payment of Monthly Permit Fees. Permittee shall cause the surety company or bank issuing such bond or letter of credit to give Director notice in writing by registered mail at least forty-five (45) days prior to the expiration date of such bond or letter of credit of its intention not to renew said bond or letter of credit.

8.3. Use of Deposit. If Permittee fails to pay a Monthly Permit Fee or otherwise defaults with respect to any provision of this Permit, City may use, apply or retain all or any portion of the Deposit for the payment of a Monthly Permit Fee or other charge in default or for the payment of any other sum to which City may become obligated by reason of Permittee's default or to compensate City for any loss or damage which City may suffer thereby. If City so uses or applies all or any portion of the Deposit, Permittee, within ten (10) days after demand therefor, shall deposit other security acceptable to Director with City in an amount sufficient to restore the Deposit to the full amount thereof. In the event the surety company or bank declines to renew or elects to cancel the bond or letter of credit comprising the Deposit, Permittee shall, at least fifteen (15) days prior to the expiration or cancellation date thereof, replace such bond or letter of credit with another bond or letter of credit. If Permittee fails to do so, City may, without notice to Permittee, draw on the entirety of the Deposit and hold the proceeds thereof as security hereunder. City shall not be required to keep the Deposit separate from its general accounts. If Permittee performs all of Permittee's obligations hereunder, the Deposit, or so much thereof as has not theretofore been applied by City, shall be returned, without payment of interest or other increment for its use, to Permittee (or, at City's option, to the last assignee, if any, Permittee's interest hereunder) upon the revocation or termination of this Permit. No trust relationship is created herein between City and Permittee with respect to the Deposit.

## **9. DEFAULT; REMEDIES**

9.1. Event of Default. The occurrence of any one or more of the following events shall constitute a material breach of this Permit and an “Event of Default”:

- (a) Permittee shall fail duly and punctually to pay Monthly Permit Fees, or to make any other payment required under this Permit, when due to City, and such failure shall continue beyond the date specified in a written notice of such breach or default from Director, which date shall be no earlier than the third day after the effective date of such notice. Notwithstanding the foregoing, in the event there occur two defaults in the payment of Monthly Permit Fees or other payment under this Permit, Permittee shall not be entitled to, and City shall have no obligation to give, notice of any further defaults in the payment of Monthly Fees or other payment. In such event, there shall be deemed to occur an “Event of Default” immediately upon Permittee’s failure to duly and punctually pay Monthly Fees or other payment due under this Permit; or
- (b) Permittee shall become insolvent, or shall take the benefit of any present or future insolvency statute, or makes a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or a petition or answer seeking an arrangement for its reorganization, or the readjustment of its indebtedness under the federal bankruptcy laws, or under any other law or statute of the United States or of any state thereof, or consents to the appointment of a receiver, trustee, or liquidator of any or substantially all of its property; or
- (c) A petition under any part of the federal bankruptcy laws, or an action under any present or future insolvency law or statute, is filed against Permittee and is not dismissed within thirty (30) days after the filing thereof; or
- (d) A Transfer occurs without the prior approval of the City (Section 5); or
- (e) Permittee fails to provide the Deposit within five (5) days after the Reference Date or fails to maintain in full such Deposit at all times while the Permit is in effect, and such failure shall continue for a period of more than three days after delivery by Director of written notice of such failure; or
- (f) Permittee fails to obtain and maintain the insurance required under this Permit, or provide copies of the policies or certificates to City; or
- (g) Permittee fails to keep, perform and observe each and every other promise, covenant and agreement set forth in this Permit, and such failure continues for a period of more than three days after delivery by Director of a written notice of such failure (the “First Notice”); or if satisfaction of such obligation requires activity over a period of time, if Permittee fails to commence the cure of such failure within three days after receipt of the First Notice, or thereafter fails to diligently prosecute such cure, or fails to actually cause such cure within one hundred twenty (120) days after the giving of the First Notice; or
- (h) During the course of transporting passengers to or from the Airport, Permittee, TNC Drivers, Permittee’s employees or independent contractors engage in criminal activity; or
- (i) A default occurs under any other agreement between Permittee and City, including the Other Agreements, if any, and such default is not cured as may be provided in such agreement; provided, however, that nothing herein shall be deemed to imply that

Permittee shall be entitled to additional notice or cure rights with respect to such default other than as may be provided in such other agreement.

9.2. Remedies. Upon the occurrence and during the continuance of an Event of Default, City shall have the following rights and remedies in addition to all other rights and remedies available to the City under this Permit, at law, or in equity:

(a) City may elect in its sole discretion to increase the Deposit in an amount equal to six months of Monthly Permit Fees as determined by the Airport and/or require prepayment of Monthly Permit Fees. The City will set the amount of the prepayment based on the highest previous Monthly Permit Fee plus any other fines and charges due under this Permit, which amounts shall be due in full prior to further operations under this Permit;

(b) City may elect to terminate this Permit; and

(c) City may elect to terminate any other agreement between Permittee and City, including the Other Agreements, if any. Nothing in this Section shall be deemed to limit City's right to revoke this Permit as provided in Section 2 [Commencement Date; Revocation] of this Permit.

9.3. City's Right to Perform. All agreements and provisions to be performed by Permittee under any of the terms of this Permit shall be at its sole cost and expense and without any abatement of Monthly Permit Fees. If Permittee shall fail to pay any sum of money, other than Monthly Permit Fees, required to be paid by it hereunder, or shall fail to perform any other act on its part to be performed hereunder and such failure shall continue for ten (10) days after notice thereof by City, City may, but shall not be obligated to do so, and without waiving or releasing Permittee from any obligations of Permittee, make any such payment or perform any such other act on Permittee's part to be made or performed as provided in this Permit. All sums so paid by City and all necessary incidental costs shall be payable to City on demand.

9.4. Cumulative Rights. The exercise by City of any remedy provided in this Permit shall be cumulative and shall in no way affect any other remedy available to City under law or equity.

9.5. Fines.

(a) As provided in the Airport Rules and Regulations, the Airport may impose or levy fines against Permittee, and/or TNC Drivers, for engaging in prohibited conduct. Specific fines for specific prohibited conduct are described in the Rules and Regulations.

(b) If Permittee defaults under any of the Permit terms specified below, City may elect to impose administrative fines described below on the basis of per violation:

<b>Violation</b>	<b>Section</b>	<b>Fine</b>
Failure to adhere to transportation requirements	3	\$200
Failure to Pay Monthly Permit Fees	4	\$100
Failure to provide required reports	4	\$100
Failure to maintain required insurance certificates	7	\$100

<b>Violation</b>	<b>Section</b>	<b>Fine</b>
Failure to accurately report a TNC Trip	4	\$300
Engaging in other prohibited activities	3	\$100

City’s right to impose the foregoing fines shall be in addition to and not in lieu of any and all other rights hereunder, in the Airport Rules and Regulations, or at law or in equity. City shall have no obligation to Permittee to impose fines on or otherwise take action against any other permittee or tenant at the Airport.

THE PARTIES ACKNOWLEDGE AND AGREE THAT A VIOLATION OF ANY OF THE ABOVE TERMS SHALL RESULT IN CITY INCURRING DAMAGES WHICH ARE IMPRACTICAL OR IMPOSSIBLE TO DETERMINE. THE PARTIES AGREE THAT THE ABOVE FINES ARE A REASONABLE APPROXIMATION OF SUCH DAMAGES.

**10. HAZARDOUS MATERIALS**

10.1. Definitions. As used herein, the following terms shall have the meanings hereinafter set forth:

- (a) “Environmental Laws” shall mean any federal, state, local or administrative law, rule, regulation, order or requirement relating to industrial hygiene, environmental conditions or Hazardous Materials, whether now in effect or hereafter adopted.
- (b) “Hazardous Materials” shall mean any material that, because of its quantity, concentration or physical or chemical characteristics, is deemed by any federal, state or local governmental authority to pose a present or potential hazard to human health or safety or to the environment. “Hazardous Material” includes, without limitation, any material or substance defined as a “hazardous substance,” or “pollutant” or “contaminant” pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980, also commonly known as the “Superfund” law, as amended (42 U.S.C. Sections 9601 et seq.) (“CERCLA”), or pursuant to Section 25316 of the California Health & Safety Code; any “hazardous waste” listed pursuant to Section 25140 of the California Health & Safety Code; any asbestos and asbestos containing materials; petroleum, including crude oil or any fraction thereof, natural gas or natural gas liquids; and any materials listed in the Airport’s Terminal Improvement Guide.
- (c) “Release” when used with respect to Hazardous Material shall include any actual or imminent spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing into or any property.

10.2. Permittee’s Covenants. Neither Permittee nor any TNC Driver nor Permittee Entity shall cause any Hazardous Material to be brought upon, kept, used, stored, generated or disposed of in, on or about the Airport, or transported to or from the Airport.

10.3. Environmental Indemnity. Permittee shall indemnify, defend, and hold harmless City from and against any and all Losses arising during or after the term of this Permit as a result of or

arising from: (a) a breach by Permittee of its obligations contained in the preceding Section 10.2, or (b) any Release of Hazardous Material from, in, on or about the Airport caused by the act or omission of Permittee, TNC Drivers or any Permittee Entity.

10.4. Environmental Audit. Upon reasonable notice, Director shall have the right but not the obligation to conduct or cause to be conducted by a firm acceptable to City, an environmental audit or any other appropriate investigation of Permittee's operations for possible environmental contamination issues. Permittee shall pay all costs associated with said investigation in the event such investigation shall disclose any Hazardous Materials contamination as to which Permittee is liable hereunder.

## **11. CITY AND OTHER GOVERNMENTAL PROVISIONS**

11.1. Charter. The terms of this Lease shall be governed by and subject to the budget and fiscal provisions of the Charter of the City and County of San Francisco.

11.2. Tropical Hardwood and Virgin Redwood Ban. The City and County of San Francisco urges contractors not to import, purchase, obtain or use for any purpose, any tropical hardwood or tropical hardwood or virgin redwood product.

11.3. No Representations. Permittee acknowledges and agrees that neither City nor any person on behalf of City has made, and City hereby disclaims, any representations or warranties, express or implied, regarding the business venture proposed by Permittee at the Airport, including any statements relating to the potential success or profitability of such venture. Permittee represents and warrants that it has made an independent investigation of all aspects of the business venture contemplated by this Permit.

11.4. Limitation on Damages. Notwithstanding anything to the contrary herein, in no event will City or any City Entity be liable to Permittee or any Permittee Entity for any consequential, incidental, or special damages, or lost revenues or lost profits.

11.5. Sponsor's Assurance Agreement. This Permit shall be subordinate and subject to the terms of any "Sponsor's Assurance Agreement" or any like agreement heretofore or hereinafter entered into by City and any agency of the United States of America.

11.6. Federal Nondiscrimination Regulations. Permittee understands and acknowledges that City has given to the United States of America, acting by and through the Federal Aviation Administration, certain assurances with respect to nondiscrimination, which have been required by Title VI of the Civil Rights Act of 1964, as effectuated by Title 49 of the Code of Federal Regulations, Subtitle A - Office of the Secretary of Transportation, Part 21, as amended, as a condition precedent to the government making grants in aid to City for certain Airport programs and activities, and that City is required under said Regulations to include in every agreement or concession pursuant to which any person or persons other than City, operates or has the right to operate any facility on the Airport providing services to the public, the following covenant, to which Permittee agrees as follows: "Permittee in its operation at and use of San Francisco International Airport, covenants that (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, and (3) that the grantee, licensee, permittee, etc., shall comply with all other requirements imposed by or pursuant to Title 49, Code of Federal

Regulations, Subtitle A, Office of the Secretary of Transportation, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation Effectuations of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended.”

11.7. Federal Affirmative Action Regulations. Permittee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Permittee assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. Permittee assures that it will require that its covered sub-organizations provide assurances to Permittee that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by 14 CFR Part 152, Subpart E, to the same effect.

11.8. Nondiscrimination Requirements. In the performance of this Permit, Permittee covenants and agrees not to discriminate on the basis of the fact or perception of a person's race, color, creed, religion, national origin, ancestry, age, sex, sexual orientation, gender identity, Acquired Immune Deficiency Syndrome or HIV status (AIDS/HIV status), height or weight against any employee of, any City Employee working with, or applicant for employment with, Permittee, in any of Permittee's operations within the United States, or against any person seeking accommodations, advantages, facilities, privileges, services, or membership in all business, social, or other establishments or organizations operated by Permittee. Permittee shall include in any subcontracts permitted hereunder a non-discrimination clause applicable to the subcontractor in substantially the form of this Section 11.8.

11.9. Conflict of Interest. Permittee states that it is familiar with the provisions of Paragraph 15.103 of the City's Charter; Article III, Chapter 2 of the City's Campaign and Governmental Conduct Code and Paragraph 87100 et seq. and Paragraph 1090, et seq. of the Government Code of the State of California and certifies that it does not know of any facts which constitute a violation of said provisions and agrees that it will immediately notify the City if it becomes aware of any such fact during the term of this Permit.

11.10. Declaration Regarding Airport Private Roads. Permittee hereby acknowledges and agrees that all roads existing at the date of execution hereof within the boundaries of the Airport, as shown on the current official Airport plan and as it may be revised, are the private property and private roads of the City and County of San Francisco, with the exception of that portion of the old Bayshore Highway which runs through the southern limits of the City of South San Francisco and through the northern portion of the Airport to the intersection with the North Airport Road as shown on said Airport Plan, and with the exception of that portion of the North Airport Road which runs from the off and on ramps of the State Bayshore Freeway to the intersection with said old Bayshore Highway as shown on said Airport Plan. It further acknowledges that any and all roads hereafter constructed or opened by City within the Airport boundaries will be the private property and road of City, unless otherwise designated.

11.11. Drug-Free Workplace. Permittee acknowledges that pursuant to the Federal Drug-Free Workplace Act of 1989, the unlawful manufacture, distribution, possession or use of a controlled substance is prohibited on City premises. Any violation of this prohibition by Permittee, TNC Driver or any Permittee Entity shall constitute a default hereunder.

11.12. Compliance with Americans With Disabilities Act. Permittee acknowledges that, pursuant to the ADA, programs, services and other activities provided by a public entity, whether directly or through a contractor, must be accessible to the disabled public. Permittee shall provide the services specified in this Permit in a manner that complies with the ADA and any and all other applicable federal, state and local disability rights legislation. Permittee agrees not to discriminate against disabled persons in the provision of services, benefits or activities provided under this Permit and further agrees that any violation of this prohibition on the part of Permittee, its employees, agents or assigns shall constitute a material breach of this Permit.

11.13. Pesticide Prohibition. Permittee shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage, and (iii) require Permittee to submit to the Director an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Permittee may need to apply to the Premises during the term of this Permit, (b) describes the steps Permittee will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance, and (c) identifies, by name, title, address, and telephone number, an individual to act as the Permittee's primary IPM contact person with the City. In addition, Permittee shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

11.14. Airport Intellectual Property. Pursuant to Resolution No. 01-0118, adopted by the Airport Commission on April 18, 2001, the Airport Commission affirmed that it will not tolerate the unauthorized use of its intellectual property, including the SFO logo, CADD designs, and copyrighted publications. No proposers, bidders, contractors, tenants, permittees, and others doing business with or at the Airport (including subcontractors and subtenants) may use the Airport intellectual property, or any intellectual property confusingly similar to the Airport intellectual property, without the Director's prior written consent.

## **12. GENERAL PROVISIONS**

12.1. Notices. Except as otherwise specifically provided in this Permit, any notice, demand, or other correspondence given under this Permit shall be in writing and given by delivering the notice in person or by commercial courier, or by sending it by first-class mail, certified mail, return receipt requested, or Express Mail, return receipt requested, with postage prepaid, to: (a) Permittee at Permittee's Notice Address; or (b) City at City's Notice Address; or (c) such other address as either Permittee or City may designate as its new address for such purpose by notice given to the other in accordance with this Section. Any notice hereunder shall be deemed to have been given and received and effective two (2) days after the date when it is mailed, if sent by first-class, certified mail; one day after the date when it is mailed if sent by Express Mail; or upon the date personal delivery is made. For convenience of the parties, copies of notices may also be given by facsimile to the number set forth in the Summary or such other number as may be provided from time to time; however, neither party may give official or binding notice by facsimile.

12.2. No Implied Waiver. No failure by either party to insist upon the strict performance of any obligation of the other party under this Permit or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such breach or of such term, covenant or condition. No express written waiver of any default or the performance of any

provision hereof shall affect any other default or performance, or cover any other period of time, other than the default, performance or period of time specified in such express waiver.

12.3. Entire Agreement. The parties intend that this Permit (including all of the attached exhibits and/or appendices, which are made a part of this Permit) shall be the final expression of their agreement with respect to the subject matter hereof and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings. The parties further intend that this Permit shall constitute the complete and exclusive statement of its terms and that no extrinsic evidence whatsoever (including prior drafts hereof and changes therefrom) may be introduced in any judicial, administrative or other legal proceeding involving this Permit.

12.4. Amendments. Except as specifically provided herein, neither this Permit nor any term or provisions hereof may be changed, waived, discharged or terminated, except by a written instrument signed by the party against which the enforcement of the change, waiver, discharge or termination is sought.

12.5. Interpretation of Permit. The captions preceding the articles and sections of this Permit have been inserted for convenience of reference only and such captions shall in no way define or limit the scope or intent of any provision of this Permit. This Permit has been negotiated at arm's length and between persons sophisticated and knowledgeable in the matters dealt with herein and shall be interpreted to achieve the intents and purposes of the parties, without any presumption against the party responsible for drafting any part of this Permit. Provisions in this Permit relating to number of days shall be calendar days. Use of the word "including" shall mean "including, without limitation." References to statutes, sections, ordinances or regulations are to be construed as including all statutory, ordinance, or regulatory provisions consolidating, amending, replacing, succeeding or supplementing the statute, section, ordinance or regulation.

12.6. Successors and Assigns. Subject to the provisions of Section 5 [Assignment], the terms, covenants and conditions contained in this Permit shall bind and inure to the benefit of Permittee and City and, except as otherwise provided herein, their personal representatives and successors and assigns.

12.7. No Third-Party Beneficiaries. There are no third-party beneficiaries to this Permit.

12.8. No Joint Venture. It is expressly agreed that City is not, in any way or for any purpose, a partner of Permittee in the conduct of Permittee's business or a member of a joint enterprise with Permittee, and does not assume any responsibility for Permittee's conduct or performance of this Permit.

12.9. Severability. If any provision of this Permit or the application thereof to any person, entity or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Permit, or the application of such provision to persons, entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each other provision of this Permit shall be valid and be enforceable to the full extent permitted by law.

12.10. Governing Law. This Permit shall be construed and enforced in accordance with the laws of the State of California.

12.11. Survival of Indemnities. Expiration or termination of this Permit shall not affect the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Permit, nor shall it affect any provision of this Permit that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges

and agrees that, with respect to each of the indemnities contained in this Permit, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee.

12.12. Joint and Several Liability. The liabilities hereunder of the entities and/or person(s) comprising Permittee shall be joint and several.

12.13. Authority. If Permittee signs as a corporation, a limited liability company, or a partnership, each of the persons executing this Permit on behalf of Permittee does hereby covenant and warrant that Permittee is a duly authorized and existing entity, that Permittee has and is duly qualified to do business in California, that Permittee has full right and authority to enter into this Permit, and that each and all of the persons signing on behalf of Permittee are authorized to do so. Upon City's request, Permittee shall provide City evidence reasonably satisfactory to City confirming the foregoing representations and warranties.

12.14. Counterparts. This Permit may be executed in two or more counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Permit as of the Reference Date.

PERMITTEE: \_\_\_\_\_,

dba: \_\_\_\_\_

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Title: \_\_\_\_\_

CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION

BY: \_\_\_\_\_

JOHN L. MARTIN, Airport Director

Recommended:

By: \_\_\_\_\_

Abubaker Azam  
Assistant Deputy Airport Director  
Operations – Airport Services

APPROVED AS TO FORM:

DENNIS J. HERRERA, City Attorney

By: \_\_\_\_\_

Deputy City Attorney

## APPENDIX A

### Designated Areas of Operation

#### Passenger Drop-Offs

##### **Domestic Terminals:**

Terminal curb White zones on Level 2 (Departures).

Active unloading only.

TNC vehicles are not allowed to stage at the curb.

##### **International Terminal:**

Terminal curb White zones on Level 3 (Departures).

Active unloading only.

TNC vehicles are not allowed to stage at the curb

#### Passenger Pick-Ups

##### **Domestic Terminals:**

Terminal curb White zones on Level 2 (Departures).

Active loading only.

TNC vehicles are not allowed to stage at the curb.

##### **International Terminal:**

Terminal curb White zones on Level 3 (Departures).

Active loading only.

TNC vehicles are not allowed to stage at the curb.

**NOTICE: TNC VEHICLE PRESENCE ON ANY AIRPORT CURBSIDE IS STRICTLY LIMITED TO ACTIVE PASSENGER LOADING AND UNLOADING. STAGING OR WAITING AT ANY AIRPORT CURBSIDE IS ABSOLUTELY PROHIBITED.**

#### Staging Area

Lot Location: The TNC staging lot is located on South Airport Boulevard, north of San Bruno Avenue. A map of the location is attached hereto as Appendix A-1.

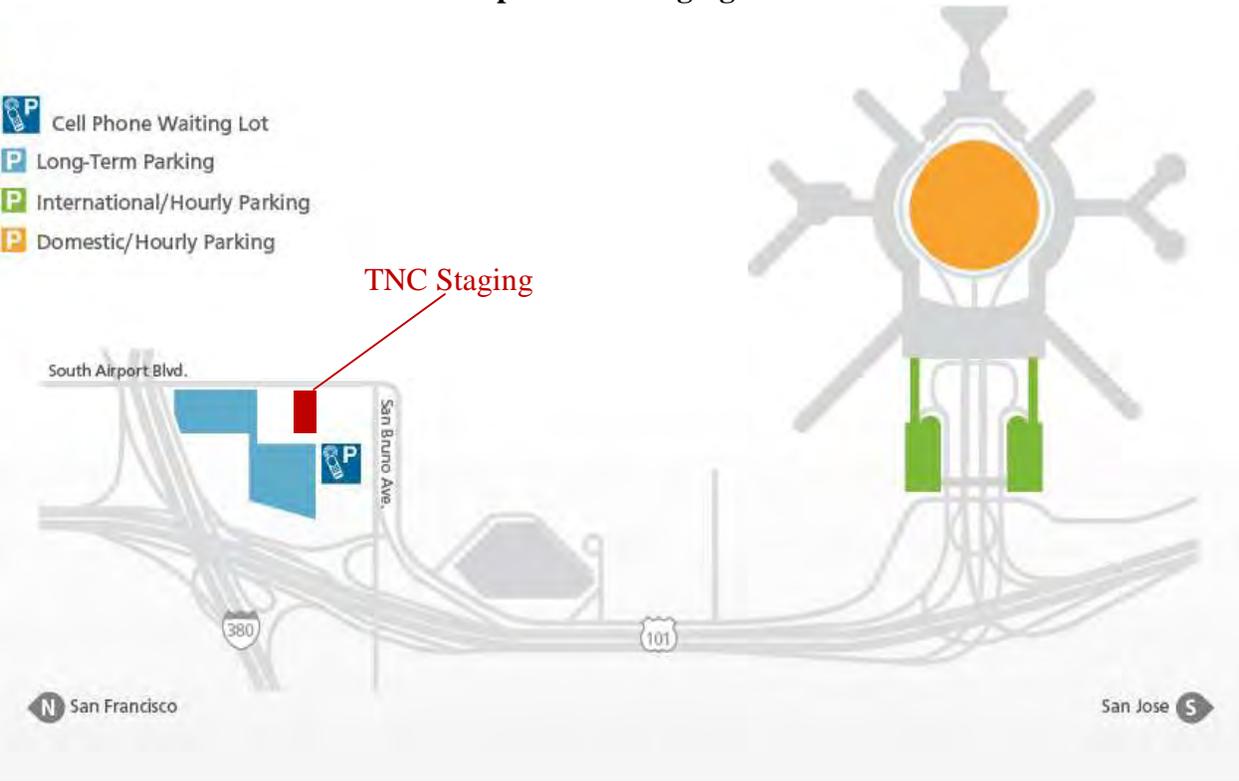
Parking: TNC Vehicles shall be parked in designated spaces only. **If no spaces are available, TNC Vehicle must immediately exit Airport property**

Dwell Time: Unless otherwise posted, no TNC Vehicle may remain in the Staging Area for more than 30 minutes. If a TNC Driver does not accept a ride within the 30-minute time limit, the TNC Driver and TNC Vehicle must immediately exit Airport property. Trade dress shall remain on all TNC vehicles in the staging area.

# APPENDIX A-1 Map of TNC Staging Lot

-  Cell Phone Waiting Lot
-  Long-Term Parking
-  International/Hourly Parking
-  Domestic/Hourly Parking

TNC Staging



## APPENDIX B

### DATA INTERFACE AGREEMENT

THIS DATA INTERFACE AGREEMENT is entered into as of this \_\_\_ day of \_\_\_\_\_, 2014 (the “Effective Date”), by \_\_\_\_\_, with a principal place of business at \_\_\_\_\_ (“Recipient”) and the City and County of San Francisco, a municipal corporation, acting by and through its Airport Commission, the owner and operator of the San Francisco International Airport (the “Airport”) concerning Confidential Information. The Data Interface Agreement is made with reference to Recipient’s Permit to Operate as a Transportation Network Company on SFO premises. This Data Interface Agreement shall be attached and incorporated by reference into the Operating Permit.

The parties hereby agree as follows:

#### 1. DATA REQUIREMENTS

The data exchange between Recipient and SFO shall conform to the following formats:

Name	Format	Description	Samples
uid	<Driver id + trip id>	Driver id concatenated with the trip id.	<Recipient to provide samples and format> Alphanumeric characters only.
tnc_id	Five digit number	The assigned TCP number for Recipient.	“32111”
license_plate	Seven character string	For California, seven characters or less, numerical and alphabetic, that represents the vehicle license plate.	“ABC1234”
timestamp	[YYYY]-[MM]-[DD]T[hh]:[mm]:[ss]Z	The current time of the event or “ping” expressed in ISO 8601 combined date and time in UTC using 24-hour clock. <a href="http://en.wikipedia.org/wiki/ISO_8601#UTC">http://en.wikipedia.org/wiki/ISO_8601#UTC</a>	“2014-09-10T14:12:05Z”
txn_type	Literal String	The type of event or “ping” as defined by the permit.	“ENTRY” “DROP-OFF” “PICK-UP” “EXIT”
ride_count	Integer	Number of active TNC rides in the vehicle following the transaction event/ping. Value will be either “0” (no active ride) or “1” (active ride).	“0” “1”
lon	World Geodetic System 1984 (WGS84) formatted longitude	The longitude coordinate of the event or “ping” expressed as a positive or negative number. For SFO, this will always be a negative number.	“-123.12345678”
lat	World Geodetic System 1984 (WGS84) formatted latitude	The latitude coordinate of the event or “ping” expressed as a positive or negative number. For SFO this will always be a positive number.	“123.12345678”

**2. WEB SERVICE**

SFO shall provide a web service in order to accept data from Recipient in the following manner:

- a. The web service shall use HTTPS protocol to submit all requests and posts.
- b. The web service shall allow HTTPS POST for all “pings” from Recipient.
- c. The web service shall accept the HTTPS POST parameters as defined in the following list: “uid”, “tnc\_id”, “license\_plate”, “timestamp”, “txn\_type”, “ride\_count”, “lon”, “lat”. Parameters must be URL encoded.
- d. A username and secret phrase shall be shared between Recipient and SFO in order to create a basic authorization mechanism for all requests from Recipient. Base64 encoding of the <username:secret phrase> shall be provided in the HTTP Authorization Header for all HTTPS requests.
- e. Data from Recipient shall be posted to the following URL with the following parameters with URL encoding (based on RFC 1738: <http://www.ietf.org/rfc/rfc1738.txt>) employed:  
https://216.9.96.29:8443/tnc/services/audit?uid=<value>&tnc\_id=<value>&license\_plate=<value>&timestamp=<value>&txn\_type=<value>&ride\_count=<value>&lon=<value>&lat=<value>

Example:

https://216.9.96.29:8443/tnc/services/audit?uid="1234599999"&tnc\_id="32111"&license\_plate="ABC1234"&timestamp="2014-09-10T14:02:55Z"&txn\_type="ENTRY"&ride\_count="1"&lon="-123.12345678"&lat="123.12345678"

- f. Airport acknowledges that Permittee asserts that some of the Interface Data contains personally identifiable information and is a compilation of information that constitutes Permittee’s trade secret. Although the Airport lacks sufficient information to determine whether such information is a trade secret for purposes of Public Disclosure Authorities, in the event the Airport receives a third party request for TNC Driver identification information and/or TNC Vehicle license plate information under the Public Disclosure Authorities described in § 4.5(e) of the Pilot Permit, it will follow the procedure set forth in § 4.5(e) in the Pilot Permit.
- g. Airport agrees to maintain adequate administrative, physical, technical and procedural safeguards to protect the Interface Data in the possession of Airport against unauthorized access or disclosure.

THIS AGREEMENT IS EXECUTED by the parties as of the Effective Date.

**AIRPORT:**

**RECIPIENT:**

\_\_\_\_\_

\_\_\_\_\_

BY: \_\_\_\_\_

BY: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

## **Attachment C**

### **Transportation Network Company (TNC) Permit Requirements and Pilot Program**

### **TNC Representatives' and SDIA GT Permit Holders' and Operators' Responses to the SDIA TNC Permit**

TNC Representative meeting date: January 13, 2015

SDIA GT Permit Holder and Operator meeting date: January 14, 2015

## TICKENGO (dba WINGZ)

Geoff Mathieux [geoff@wingz.me](mailto:geoff@wingz.me)

Dear Mr. Boenitz,

Thank you for sending this draft out. We appreciate that San Diego International Airport is pro-actively creating a permit process for TNC's. As you know my company Tickengo Inc. (dba Wingz) plans to apply for the permit at your airport and begin serving your passengers with a great service as soon as possible.

We have some concerns about the current proposal, however. When the CPUC created permits for TNC's in California (as the regulator), they had a vision to encourage innovation and to allow regular people in California to give rides to others. The innovation was that regular cars could now also be used for paid rides. They simply wanted to make sure it was safe so put in place sound regulations to that effect.

In the case of Wingz, because our rides are scheduled, regular people commuting to work can sign up and occasionally give rides to people on their way to work or to make a little extra money. For example if an employee received a request from a passenger to go to the airport next Tuesday at 7am, the employee may accept to drive the passenger on his way to work at the airport. This will give airport employees or contractors an opportunity to make money while commuting to work and eliminate cars from the road. This is the "good" of Wingz.

The CPUC is the regulator and has already imposed strong regulations to make sure that all the drivers using TNC platforms are background-checked, have vehicle inspections and have DMV checks. So citizens are allowed to give rides but they must not have criminal backgrounds, must have good driving records, and must have good cars. The CPUC, as the regulator, put a lot of thought into this. We already pay for extensive background checks.

Requiring regular citizens to pay for and go through yet another series of extra background checks is duplicative and effectively re-regulates regular drivers who have already had to undergo a somewhat painful process (paid for by each the TNC companies). Our goal is to encourage sharing and the participation of casual drivers, not create a new form of commercial transportation, with multiple layers of regulations. If drivers need to do duplicative and invasive background checks, only professional types of drivers will end-up participating and the casual carpooling situations that we have always worked toward will go away. This would take away the "societal good" of what we have done to date.

Furthermore most drivers use multiple TNC platforms. They are not beholden or employees of any one company. 80% of the drivers on Wingz are also drivers on both Lyft and UberX. These drivers already go through 3 background checks (by three TNC's) and now on top of it would have to pay and do another background check (just for one individual airport). The goal of the CPUC was not to create their regulation to be followed by multiple layers of other regulations.

Furthermore, the airport should not require each driver to carry a transponder. Our app and the required geofence technology take care of this requirement from a technical standpoint. The goal is for

regular citizens to be able to give rides and not provide them with special equipment traditionally used by commercial vehicles. Forcing regular citizens to carry transponders is effectively turning them into purely commercial vehicles and casual users who create the "societal good" of what we do would no longer wish to give occasional rides on their commutes, for example. These casual users are the people who reduce the traffic on our roads, including the airport! We should not be discouraging this!!!

We believe that the Wingz model helps to resolve many of the problems the airports are trying to solve. We operate much like a friend requesting a ride to the airport at some time in the future. Our drivers are not circulating around grounds hoping to find a rider or hanging around hotels hoping to get customer who needs to get to the airport. To further our goal of true ridesharing, we would like to encourage employees of San Diego International airport to sign up as drivers on Wingz in order to be able to take requests from passengers scheduling rides to the airport on their way to or from work.

Thanks for your consideration. We would like to start operating at San Diego asap and definitely wish to be the first or one of the first company to get the permit when it becomes available.

Sincerely,

Geoff

## OPOLI

Richard Ledford [rledford@ledentr.com](mailto:rledford@ledentr.com)

We've started our review of the draft documents you've provided and one obvious issue has emerged.

The draft is clearly designed for the Uber's of the world that are already operating in the region (i.e. with drivers, vehicles, etc.). But as a startup in the region, we're planning to recruit based on the number of permits we might be allocated. Yet the way the draft is configured, we won't qualify unless we can demonstrate existing fleet/drivers. If this interpretation is correct, then please consider modifying the draft to require disclosure of vehicles/drivers within a specified time after the granting of permits to operate.

We'll be back to you with additional comments as we plough through the draft!

As we continue to review the Authority's draft for the TNC regulations, we offer the following comments in addition to our previous global one for your consideration and in advance of our meeting on January 13:

- Pg 9, Article 1, Sec 1.10 - What is the purpose of including "compensation" in the definitions? No additional reference is made to compensation and all fees and deposits are not tied to compensation.
- Pg 10, Article 1, Sec 1.16 & 1.17 – These sections both reference required exhibits that only work for TNC providers already operating in the San Diego region. Consideration should be given to providers who are not yet operating here but wish too, fulfilling the Authority's goal of competition. We suggest a deadline to identify and report both vehicles and drives before permit granted can be released.
- Pg 12, Article 2 – Since this represents a pilot program, how and when will the Authority determine its success or failure?
- Pg 13, Article 3, Sec 3.1 – Same reference to "Exhibit A" that isn't applicable to TNC providers not already operating in the region (see similar comment above)
- Pg 13, Article 3, Sec 3.1.2 – Reference is made to "customer" in several places but does not see defined as one or more (as in a group) that might arrange a pick up. A fuller description of what "customer" means should be added to Article 1, Definitions
- Pg 13, Article 3, Sec 3.1.3 – The 15 minute wait time is only restrictive if the passenger is late for reasons not the driver's responsibility. Is there language that can be added here to accommodate such delays as they affect the allowable wait time?

- Pg 16, Article 3, Sec 3.2.13 & Sec 3.2.14 – Reference is to “Attachment A” and “B”, but I’m assuming it was intended to reference Exhibit A & B regarding current vehicle and driver identification. Same comment/recommendation as above regarding TNC providers currently in operation in the region vs those of us who are not yet in operation here.
- Pg 20, Article 4, Sec 4.1.3 – Permit Activation Fee (PAF) as currently structured will require those qualified TNC providers not currently operating a mandatory flat fee of \$10,000 while those currently operating may have a lesser amount because of the Option 1). We suggest language which sets the PAF as a minimum of \$10,000.
- Pg 29, Article 13, Sec 13.1 – The required Security Deposit needs better definition. At this point, we can only guess what our trip fees might be over a three month period. How does the Authority propose to negotiate the Deposit?
- Pg 29, Article 13, Sec 13.1 – Under form of the required Security Deposit, the Authority continues to require that if an LOC is utilized, that it be “issued by a bank located in San Diego County”. Respectfully, a qualified financial institution should not require a local branch to be judged a secure institution. The Authority should revisit this dated requirement.

We’ll keep reviewing the draft and forward any addition input/comments as we develop them.

See you in the New Year!

Richard

On behalf of First Class Transportation

## SIDECAR

Rachelle Chong [<mailto:rachelle@side.cr>]

Subject: Sidecar Comments on TNC rules - Marked Portions are Confidential.

Dear Mr. Boenitz:

Sidecar appreciates the opportunity to comment on the proposed TNC Permit Terms and Conditions. As the first TNC to obtain an San Francisco International Airport (SFO) airport permit, you will find Sidecar motivated in working towards a mutually acceptable agreement to operate at San Diego International Airport (SDIA).

As background, unlike Uber and Lyft, Sidecar is a small start-up of less than 60 employees headquartered in San Francisco. We do not have offices or employees in our markets except San Francisco. As a lean and mean start up, regulatory requirements are more difficult for us to comply with given the size of our staff. We request that SDIA understand that it is very difficult and burdensome for Sidecar to build completely different airport compliance systems for every airport in every market we serve (currently ten markets). As a result, we hope not to reinvent the wheel for each airport.

1. Limited Number of Permits: Sidecar is concerned about the very limited number of TNC vehicle permits being set at 240. We wish to understand how that number was arrived at and what is the concern that is driving this policy. Currently, the CPUC website shows five licensed TNCs (Lyft, Sidecar, Raiser (Uber), Tickengo (Wingz), RideLabs and Shuddle) so this means 48 permits per TNC if each of the five were to apply. (Source: [http://www.cpuc.ca.gov/PUC/Enforcement/TNC/TNC\\_Licenses\\_Issued.htm](http://www.cpuc.ca.gov/PUC/Enforcement/TNC/TNC_Licenses_Issued.htm)) This is a very small number. At SFO where congestion was the concern, a new 120 space TNC/Limousine lot was established to have a place for the TNCs and Limousines to wait.

Confidential data: [REDACTED]

End of confidential data.

2. Decals/Placards/Transponder Requirements: Sidecar is concerned about the three requirements for an airport authority decal, vehicle placard with pictures and a hanging transponder.

- a. Decal: Regarding the decal, if this is not a permanent decal but one that may be put up on the inside of the vehicle windshield, this may be acceptable. Many Sidecar drivers do not drive full time and so a permanent decal is not amenable to them.
- b. Vehicle placard: This is a very important operational point for Sidecar. The key thing we request is that the placard be emailable from Sidecar to its drivers, and not a physical plastic or wooden placard. For SFO, the placard has the TNC name, its CPUC TCP number, the vehicle license plate and a unique placard number for that driver that is issued by the TNC. We hope this same system may be used by SDIA to avoid a new product build at Sidecar for SDIA only. All drivers can show their Sidecar driver app with their facial photo, vehicle photo, license plate, and we can provide SDIA with photos of our trade dress (currently orange side mirror socks).

- c. Transponder: We object to a transponder and want to understand why it is necessary. Transponders were not required by SFO. Instead there is a data interface system using an API that SFO IT department and Sidecar built to send entry, drop off/pick up, exit pings in real time to SFO to confirm fees paid, and to give SFO authorities real time knowledge of who is on its property. So it would achieve tracking and counting of vehicles if those are the goals. We encourage this approach since many of our drivers are part time and not full time drivers.

Further, the transponder fee of \$20, airport placard fee of \$50, and security threat assessment fee of \$30 act as barriers of entry for a small player like Sidecar. Our drivers are mostly part time, only a small percentage are full time. Many drivers drive very flexible schedules that vary every week, yet Sidecar would need to pay \$100/driver in advance, which is a high amount for a small start up company like Sidecar. This set of fees alone is a serious barrier to entry that favors large players like Uber and Lyft and discourages smaller players like Sidecar from participating, essentially limiting competition at the airport for TNCs. Further many drivers drive for more than one TNC. We have many drivers that drive for Sidecar and Uber, or Sidecar and Lyft. We would suggest that the better scheme is for these fees be paid by the drivers, and then they are allowed to drive for whatever platform they indicate to the airport once they are cleared by the airport. Otherwise the TNCs will double or triple pay for one driver which makes no sense to us.

3. Geofencing: We request latitude / longitude coordinates or roads that are the SDIA geofence for ease of establishing the correct area.
4. Local Office, Local Phone Number, and Books and Records location: Sidecar does not have a local office or local phone number in San Diego and does not plan to have either in 2015. Our business model does not include these types of local offices. Our corporate headquarters is in San Francisco, and that is where our records reside. Our users may call us from within the app and email Support easily for complaints. We have a special prioritized email and support number for zero tolerance complaints (suspected alcohol or drug use by a driver or rider). We also list our customer service numbers and emails on our website and app clearly. Drivers are responsible for returning lost and found items to the riders promptly.
5. Driver Waybill: Sidecar's waybill is electronic. It has the photo of the driver, photo of vehicle, license plate (if we have it, we are populating this now as we had not collected the license plate before just the VIN, vehicle photo and vehicle insurance info), information on recent pick up and drop off location of current passenger. We object to the requirement that the waybill have the airline and flight number on it for pick ups. Unlike limousine or black car drivers TNCs do not pick up at the gate or inside at baggage claim and so this information is unnecessary and burdensome for us to add to the waybill when it is not relevant. Our passengers communicate with the driver by in-app phone or SMS.
6. Permit Activation Fee: What is the significance of the start date for the permit activation fee of March 1, 2014?
7. Deposit: It is unclear to Sidecar from Article 13 how much the deposit is going to be and we would appreciate clarification.

8. Vehicle age: There is no requirement by the CPUC on TNC vehicle age in its regulations, but requires the vehicle to pass the 19 point inspection by a certificated mechanic. Sidecar uses qualified Pep Boys and Jiffy Lube for our vehicle inspections. We request SDIA be consistent with the CPUC's regulations on vehicle age. Given these are drivers' personal cars and are not fleet vehicles owned by a TNC, this rule is unduly burdensome and limits the ability of drivers to earn money part time as a TNC driver. We think this rule should be struck.

9. Insurance: We request the insurance be completely consistent with the current CPUC insurance rules, as amended to comply with AB2293.

Further we object to the requirement for an original signature of an authorized representative of the insurance carrier. We don't understand why this is necessary. We are willing to provide a confidential copy of the policy and a public Certificate of Insurance.

Thank you for allowing Sidecar to have input in this process. Please use me as your contact for Sidecar going forward.

I will be out of the office Dec. 23-January 5, and again Jan. 19-22. I am happy to come meet with you in January to discuss the TNC process with you.

Happy holidays,

Rachelle

Rachelle Chong

Interim General Counsel

rachelle@side.cr

(415) 215-4292

## UBER (dba RAISER, LLC)

Christopher Ballard <chris@uber.com>

### **San Diego International Airport - TNC Permit v2 - Comments**

Page 1: Checklist

Page 2: Permittee Information

Page 3: Sole Proprietorship Information

Page 4: Partnership Information

Page 5: LLC Information

Page 6: Corporation Information

Page 7: Corporation Information (cont.)

Page 8: Non-Exclusive Permit to Operate TNC Vehicles at San Diego International Airport

Page 9: Definitions

Page 10: Definitions (cont.)

Page 11: Definitions (cont.)

- **Waybill:**

- o **Uber Position:** The electronic waybill complies with the CPUC decision. Given the nature of TNC provided transportation, requirements to list the [i] number of persons in the party; [ii] airline; and [iii] flight number are unnecessary.

Page 12: Article 2 - Term of Permit

- **Term**

- o **Uber Position:** What is the rationale for having a nine-month term, from 3/1/15 to 12/31/15? Is this the so-called “pilot phase?” What is the expected renewal period going forward?

Page 13: Article 3 - Use, Conditions, and Restrictions

- **3.1.1 - TNC Vehicle Permits**

- o **Uber Position:** A cap on permits will not only severely limit the effectiveness of Uber’s product by artificially lowering supply, but it will not give the Airport an accurate test period for how the market will operate. Most drivers on the TNC model are part-time drivers and may spend only 10-20 hours a week driving all over San Diego County. For this reason, if the Airport issued 80 permits, it is highly unlikely that 80 drivers would be at the Airport at any one time. These drivers are likely not working full time, and when they are driving may be spending their time all over the County. When drivers enter Airport property, a virtual queue set up through our app shows drivers when they are next up for an Airport request. If there is a long wait, Uber drivers are unlikely to wait long in the queue for an Airport pickup and will likely just leave and go downtown where they are more likely to receive requests. Uber shows drivers “heat maps” on their device that show where areas of demand are at any given time.

- **3.1.2 - TNC Pickup Locations (Exhibit F)**

- **3.1.3 - Staging Area Wait Times**

- o **Uber Position:** Placing an arbitrary “wait time” of 15 minutes on TNC vehicles is unnecessary, given the First-In First-Out (“FIFO”) electronic geofence. The first vehicle to enter the staging area will be the first to receive a request from the airport, the second vehicle to enter the staging area will be the second to receive a request, and so on. Driver-partners will not wait in the staging area for extended periods of time, knowing that they could quickly receive other requests elsewhere. This FIFO system eliminates any issue with congestion of the staging areas.

- 3.1.4 - Local Business Office & Telephone Number

- o **Uber Position:** A 24-hour call line is outdated and unnecessary. Uber routinely deals with lost items, and we have multiple support channels to assist with the return of lost property.

- ! **Phone:** The partner and rider can directly contact one another via anonymous phone number for up to 30 minutes after the end of the trip. The vast majority of lost items are returned via this method.

- ! **In-App:** Once the trip has ended, the rider is taken to the feedback screen where they have the opportunity to leave feedback about the trip, or inquire about a lost item. Each piece of feedback goes to an Uber Support representative for follow-up.

- ! **Support Email:** The rider inquire about the lost item to supportSD@uber.com, where an Uber Support representative will connect with both the partner and rider to arrange the drop off of the lost item.

- ! **In-Office:** The partner can drop off the lost item at the Uber San Diego office, where we can follow up with the rider to either [i] arrange a pick up; or [ii] ship the item directly to the rider.

- ! **Social Media:** The rider can post to social media (typically Twitter) and an Uber Support representative will reach out to assist with connecting the partner and rider.

- 3.1.5 - Plan for ADA Compliance

- o **Uber Position:** Uber is a technology platform that connects riders to transportation providers. We are working hard on partnering with more service providers who can meet accessibility needs, but Uber is not subject to the requirements of Title III of the Americans with Disabilities Act.

- 3.1.7 - Surge Pricing

- o **Uber Position:** While we are willing to occasionally report dynamic pricing events (on a monthly basis, for example) to the Airport, a 24 hour reporting requirement is onerous and excessive. Since June 2012, less than 0.1% of trips originating at SAN Airport have been subject to dynamic pricing, so this is a very rare occurrence.

- 3.1.11 - Electronic Waybill

- o **Uber Position:** Clarification: Does this refer to the waybill provided during the trip, or the receipt provided after the trip has been completed?

Page 15: Use Limitations and Restrictions

Page 16: Use Limitations and Restrictions (cont.)

- 3.2.13 - Tracking TNC Vehicles on Airport Roadways

- o **Uber Position:** A permanent transponder doesn't make operational sense for a vehicle that is used for both personal and commercial use. For instance, if a driver used their personal vehicle to pick up a family member, they would be charged. Additionally, when a driver partners with more than one TNC, it is unclear which TNC that ride fee would be attributed to. Uber is not opposed to fees for operations at the Airport. We would prefer self-reporting of fees to the Airport. The clause already gives the Airport the authority to audit Uber's records with respect to our operations at the Airport. It is also unclear why the Airport would require tracking of the drop-off points, given that a permit is not required to drop-off passengers, as well as the privacy issues of tracking those drop-off points.

Page 17:

- 3.2.15 - Driver and Vehicle Placard and Authority Decal

- o **Uber Position:** We don't see the rationale for both a placard and a decal on the vehicle. Labeling a placard with the name of the TNC presents problems when drivers partner with more than one TNC, which is not uncommon.

- 3.2.16 - Permittee Responsibilities

- 3.2.18 - Written Agreement

- o **Uber Position:** The way our partner agreements are written, for a partner to not follow the terms of the SAN Permit could subject them to deactivation from the platform. It is unnecessary to incorporate the terms of the local SAN Airport permit into a nationwide driver agreement.

- 3.2.19 - Airport Permitted TNC Driver Background Check

- o **Uber Position:** CPUC already requires TNCs to conduct a national criminal background check for each driver, including the national sex offender database. The criminal background check uses applicant's social security number and not just the applicant's name. Any felony criminal conviction within seven years prior to the date of the background check for violent crime, a sexual offense, a crime involving property damage, and/or theft will make the applicant ineligible to be a TNC driver. CPUC also requires quarterly DMV driving record checks. The DMV check criteria shall provide that a user may have no more than 3 points within the preceding 3 years, no "major violations" (reckless driving, hit and run, or driving with a suspended license conviction) within the preceding 3 years, and no driving under the influence conviction within the past 7 years.

Page 18:

- 3.2.20 - In-Person Orientation

- o **Uber Position:** We require clarification of this point. Is this referring to an inperson orientation provided by the Airport to the TNC, or the TNC to the driverpartners? Why should an additional in-person training be required simply to drop off at the Airport, when other forms of online training could suffice?

- 3.2.21 - Placard Information

- o **Uber Position:** We don't see the rationale for both a placard and a decal on the vehicle. Labeling a placard with the name of the TNC presents problems when drivers partner with more than one TNC, which is not uncommon. Additionally, the photo of the driver, photo of the vehicle, license plate number, and make/model of the vehicle are provided to the rider when they request.

- 3.3 - Monthly Operational Report

- o **Uber Position:** What does the airport intend to use this data for? The total number of pickups completed at the airport is sufficient for billing purposes, and is the standard data that we provide at other airports.

- 3.4.1 - Audit and Inspection of Records

- o **Uber Position:** We would request that any audit occur in our local San Diego offices.

Page 19:

- 3.4.3 - SSAFE Requirements

- 3.4.5 - Disclosure of Records

Page 20:

- 4.1.1 - Driver / Vehicle Fees

o **Uber Position:** As mentioned above, the fees for the transponder and STA Background Check are redundant, and should be eliminated.

- 4.1.2 - Trip Fees - Non-Clean Air Vehicles: \$1.90 / Clean Air Vehicles \$1.45
- 4.1.3 - Permit Activation Fee

Page 21:

- 5.4 - Inspection
- 5.5 - Maximum Age: 10 years
- 5.6 - Vehicle Identification Decal / AVI Transponder Clauses

o **Uber Position:** Referenced above.

Page 22:

- 6.2 - Permittee's Assumption of Risk

Pages 23 - 30: Legal

Page 31:

- 14.6 Insurance Requirements

o 14.6.1 - Workers Compensation Insurance

! **Uber Position:** Uber is a technology company that neither employs drivers nor owns vehicles. As driver-partners are independent software licensees, Uber does not provide Workers Compensation insurance.

o 14.6.2 - Insurance Requirements

Page 32:

- 14.8 - A.M. Best Financial Rating (A- minus 7)

Pages 33 - 35 - Misc. Provisions

Page 36 - Vehicle Roster

- Vehicle Registration Listing

o **Uber Position:** We have not provided this information to any other airport.

Page 37 - Driver Roster

- Driver Listing

o **Uber Position:** We have not provided this information to any other airport.

Page 38 - Blank

Page 39 - Request for Waiver Workers' Compensation Insurance Requirement

Page 40 - Blank

Page 41 - Vehicle Maintenance Inspection Form

Page 42 - Waiting and Terminal Pickup Areas

Page 43 - Waiting and Terminal Pickup Areas

## LYFT

Bakari Brock <bbrock@lyft.com>

Mr. Boenitz,

On behalf of Lyft, we thank San Diego International Airport (SDIA) and the San Diego County Regional Airport Authority (SDCRAA) for providing us a copy of the proposed TNC Permit Application. We look forward to the face-to-face meeting, scheduled January 13, 2015, and per your request are respectfully submitting the below comments in advance.

Our goal, as with all airport partners in California and across the country, is to ensure that Lyft's operation at SDIA's property serves as a positive contribution to common goals such as customer service, congestion, and cost recovery. The proposed TNC Permit Application is comprehensive in scope, and we appreciate the time and resources invested in developing an environment in which Lyft may provide travelers with safe rides to and from the airport side-by-side with SDIA's other ground transportation options.

We believe a succinct overview, rather than an itemized list of concerns would best foster productive dialogue, and accordingly will summarize our response as follows:

### I. TNC Permit Administration.

As stated in your email, the TNC Driver Permit document is forthcoming. We would ask that SDIA reconsider our request that each TNC be the sole administrator of permits to its drivers. Lyft's model is based on providing flexible economic opportunities to the San Diego community -- the majority of our drivers are part time. Incremental burdens on such drivers creates a significant hurdle that impacts our ability to supply SDIA customers with ground transportation options. We would ask that the SDCRAA review and consider the current model that is successfully in place at San Francisco International Airport (SFO), and mirrored in the proposed permits from Los Angeles International Airport, Mineta San Jose International Airport, and John Wayne Airport as examples of placing the majority of the administrative burden and responsibility on TNCs to ensure that its drivers satisfy SDIA's expectations of safety and quality.

### II. Technology.

Lyft respectfully submits that the so-called geofence technology is an accurate and less burdensome method to ensure the calculation of trip fees and maintenance of curbside congestion than AVI transponders. We have successfully deployed such technology and remitted fees based on geofencing at SFO, Nashville International Airport, and Denver International Airport. Moreover, we currently utilize this technology to prevent SDIA customers from requesting Lyft rides at the property pending these permit discussions. We ask SDIA to reconsider the need for an AVI requirement which is both redundant and costly to the driver community.

### III. CPUC Requirements.

Last, Lyft asks that SDIA reconsider requirements that have been deemed unnecessary by our primary regulatory body, the California Public Utilities Commission (CPUC) . While of course we understand the unique requirements of each California airport -- for example, in terms of individual insurance needs -- we would like to discuss the necessity for rules such as the need for a local business office, additions to the CPUC definition of an electronic waybill, notifications regarding pricing, driver lists, and additional vehicle inspections.

Again, thank you for the opportunity to comment on the TNC Permit Application, and we look forward to speaking with you in person soon. I trust that you had a happy holidays and New Year.

Best regards,

-Bakari

**RAPID: Excerpted comments from January 13, 2015 meeting**

- Pilot should collect “real” data therefore the opportunity to service the Airport should be available to all TNC drivers to get the full picture
- Data should be communicated electronically- the burden on the TNCs to submit data and trip counts

**OPOLI: Excerpted comments from January 13, 2015 meeting**

- Awaiting their TNC certificate from the PUC
- Able to apply the same technology and data communication as the other TNCs
- Need additional details regarding the Permit Activation Fee- amount, purpose, collection
- Can either use the geo-fence or the Airport’s AVI/transponder system to collect trips
- Very familiar with the Airport’s use of placards and background checks.

**SDIA GT Permit Holders and Operators- Excerpted comments from January, 14, 2015 meeting**

Taxicabs

- Limit the number of TNC drivers able to service the airport
- Driver drug testing
- Permanent markings on the vehicles
- Stiff penalties for passenger solicitation and non-compliance with Airport’s Rules and Regulations
- Non-admitted insurance carriers should not be acceptable for coverage
- Airport must regulate the TNC rates of fare
- Surge pricing should not be allowed at any time
- TNCs must comply with the Airport’s commitment to clean air and require the use of hybrids, alternative fuel and clean air vehicles.
- Must obtain a sheriff’s and business license
- Taxicabs have to work within a very regulated system; TNCs do not.

Vehicle for Hire (VFH)

- Question how the airport will permit multi-platform (those using two or more TNC apps to provide services) drivers
- Will the SDIA GT Stakeholders be part of the review process for the TNC pilot; will there be specific evaluation criteria to determine the pilot’s success or failure?
- How will driver non-compliances with the Airport’s Rules and Regulations be handled; what enforcement consequences will be used?

- Does the Airport agree with the TNC Service Periods (Period 1, Period 2, Period 3) and the insurance requirements for each?
- Will there be any third party customer survey's performed for TNC services?
- How will lost and found property be handled?
- Can driver's that have been banned be reinstated?
- Airport Taxicab and VFH companies have agreed to an MOA with specific performance requirements. Will TNCs be held to the same standards?
- Where will and how many TNCs be allowed to stage at the airport?

# ATTACHMENT D1

## Sidecar Background Check Information – Confidential and Proprietary

Sidecar complies with the California PUC's regulations on background checks. Our third party vendor is RedRidge Verification Services ("RedRidge"). RedRidge searches several federal and multi-state/nationwide databases for looking for all criminal history of the applicant driver. These databases include the national sex offender database. Once the results are returned, a failed background check includes anyone that appears on the national sex offender database.

Other disqualifying convictions include:

- Felony convictions. within the past seven years, of:
  - driving under the influence of drugs or alcohol,
  - fraud,
  - sexual offenses,
  - use of a motor vehicle to commit a felony,
  - a crime involving property damage, and/or theft,
  - acts of violence, or acts of terror
  - violent crime
- Any convictions for within three years
  - reckless driving,
  - hit and run, or
  - driving with a suspended or revoked license
- No violations (Motor Vehicle Record (MVR), the driving record) within 3 years that constitute more than 3 points in California

RedRidge also screen out for felony drug convictions within last seven years. The Sidecar Onboarding team will also screen out any convictions not on this list that would, in their judgment, be consistent with driving offenses (i.e., where a driving under the influence offense is a misdemeanor rather than a felony).

Sidecar's RedRidge Screening Services identifies:

1.) An applicant's movement patterns because it is necessary to know where a person has lived, worked, and/or gone to school in the prior seven year look-back period. Using an applicant's address history allows us to identify those jurisdictions whereby RedRidge needs to search in order to uncover the possibility of any disqualifying criminal history. RedRidge also identifies any associated names, name variations, or alias names.

2.) RedRidge uses a commercially available database in order to search nationally through all of those jurisdictions which make their criminal history data available for criminal history clearance purposes (see attached Jurisdiction Source List for National Criminal Database Search). RedRidge searches the criminal database using the supplied name as well as any identified alias or alternative names.

## ATTACHMENT D1

3.) RedRidge than allows for incremental county criminal and federal criminal district searches as needed (these are primary source searches conducted by actual investigators in real time at the repositories that actual house the records and their corresponding dispositions).

4.) RedRidge will also pull the applicant's driving record in any driving record history directly from the respective state DMV repository.

5.) RedRidge will then adjudicate the criminal and driving records against the current California TNC regulations, as required by the California PUC.

RedRidge informs us that FBI checks will only identify that there is "an issue" and then tell RedRidge which county has the issue, but not necessarily identifying what the actual "issue" may be, which forces RedRidge to run the county criminal search anyway to identify the actual issue and the disposition. Thus, Sidecar agrees with Uber and Lyft that it makes no sense to run checks through the FBI. The two attached documents (Fact Sheet and Mythbusters) detail the National Association of Professional Background Screeners (NAPBS) official position as it relates to the "FBI Search" and all that it entails, or doesn't.

If the San Diego Airport wants to create special regulations related to TNCs, it needs to consider that they may be running contrary to existing CA Civil Law which already regulates background checks as they relate to "employment" in the State of California. For example, California law states that you cannot exclude someone for employment based upon a criminal conviction that exceeds seven years from the present day, which may prove problematic if they try and use the FBI system as the FBI system doesn't include dispositions. This may open the San Diego Airport Authority up to potential liability for violating the civil rights of any applicants who make application to any of the TNC companies.

California CA Civil Code §1785 and §1786: Consumer reports and investigative consumer reports

California CA Labor Code §432 and CA Code Regs. 2 §7287.4(d)(1): Inquiries into and use of applicant's criminal history

California CA Penal Code §11105: Request and use of fingerprints

Sidecar RedRidge Contact:

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Licensed Private Detective  
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# ATTACHMENT D1

[www.redridgevs.com](http://www.redridgevs.com)  
[cmoore@redridgevs.com](mailto:cmoore@redridgevs.com)

Respectfully submitted by:

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# UBER: A BETTER, SAFER, MORE RELIABLE BACKGROUND CHECK

All U.S. drivers who partner with the uberX platform undergo a rigorous background screening process before they are able to get on the road.<sup>1</sup>

Uber has contracted with an independent firm accredited by the National Association of Professional Background Screeners, to perform **multi-layered federal, state, and local criminal background checks spanning the past seven years.**

## UBER'S BACKGROUND CHECKS ARE MORE COMPREHENSIVE THAN FBI LIVELSCAN

	UBER	FBI
County Courthouse	Yes, going back 7 years	NO
Federal Court database (PACER)*	Yes, going back 7 years	NO
Multi-state criminal database	Yes, going back 7 years	NO
National Sex Offender Registry	YES	NO
Social Security Trace	YES	NO
Motor Vehicle Records	YES	NO

\*PACER is an online database for all case and docket information from federal appellate, district, and bankruptcy courts.

### COUNTY, FEDERAL, MULTI-STATE DATABASES

Rather than exclusively relying on federal electronic databases, Uber's third-party screener checks primary sources and, where necessary, visits the actual county courthouse in each county in which an individual has lived during the last seven years and directly searches county, state, federal, and other record databases to identify and report any criminal history. The normal criminal check by many taxi services in major cities is a three or five year background check.

### NATIONAL SEX OFFENDER REGISTRY AND SOCIAL SECURITY TRACE

Uber's background check provider crosschecks the National Sex Offender Registry and driving records obtained from state Departments of Motor Vehicles (DMVs). Additionally, our third-party background screener verifies a partner's identity by cross checking the Social Security number provided in the application with Social Security Administration records.

### PENDING CHARGES AND LITIGATION

Our third-party criminal background checks also include pending litigation as well as any pending charges for violent crimes and/or severe misdemeanors, which fingerprint-based searches often fail to capture.

<sup>1</sup> All Uber's New York City partners on the UberBLACK, uberX, and UberTaxi platforms must be licensed by the New York Taxi and Limousine Commission (TLC) prior to onboarding. The TLC performs its own background checks.

## HIGH STANDARDS FOR PASSAGE

- No convictions for violent crimes, sexual offenses, gun related violations, or felonies in the past 7 years
- No convictions of theft or property damage in the past 7 years
- No resisting or evading arrest in the past 7 years
- No drug or DUI charges in the past 7 years (10 years in California)
- No fatal accidents or severe driving violations such as hit-and-runs, driving over 100mph, or driving on the wrong side of a divided highway in the past 7 years
- No driving without insurance or suspended, revoked, or cancelled license charge in the past 3 years.

## FLAWS SEEN IN FINGERPRINTING

### “SERIOUS FLAWS” IN FBI RECORDKEEPING

-NATIONAL EMPLOYMENT LAW PROJECT (NELP), July 2013

**“Only half of the records with the FBI have fully up-to-date information.”**  
-WALL STREET JOURNAL (AUG 2014)

Despite the perception that the FBI criminal database and background checks are the “gold standard,” NELP found that “[i]n reality, however, the records themselves do not live up to this reputation.”

A 2014 Wall Street Journal investigation found that the FBI’s records often fail to indicate whether those arrested were ever charged or had charges dropped, or where the arrest was ultimately found to be in error.

Even as far back as 2006, the U.S. Attorney General’s Report on Criminal Background Checks said the database was “**erroneously view[ed] as always current and reliable.**”

**“At the very least, the F.B.I. should be held to the same standards as private background-check companies, which are required to follow procedures for weeding out inaccurate information.”**  
- THE NEW YORK TIMES (AUG 18, 2013)

## SAFETY AT SCALE

Uber is on track to complete more than two million background checks on potential driver partners in 2014, among the highest totals of any major corporation in the world.

We asked Giuliani Partners to audit our process and identify potential vulnerabilities in Uber’s current domestic background checks (BGC), including third party service providers, and generate recommendations for process enhancements.

**“It is already becoming clear that the Uber BGC process today is much more thorough than that of many companies conducting background checks in this industry.”**  
-GIULIANI PARTNERS (OCT 2014)



To whom it concerns:

Tickengo, Inc. has entered into an agreement with Sterling Infosystems, Inc. (Sterling), a consumer reporting agency, to provide background screening services for the purpose of screening its clients who are using their software to participate in the Tickengo ride sharing community.

Per the California Public Utility Commissions decision 13-09-045 on Rulemaking 12-12-011 which became effective September 19, 02013, Tickengo is utilizing Sterling to screen for the following crimes, offences, and violations which would bar individuals from participating as a driver in the Tickengo community:

**MVR (Driving Record)**

Individual has more than three (3) Points on their driving record in the preceding three (3) years.  
Individual has one or more 'Major Violations', in the preceding three (3) years, including:

- Reckless Driving
- Hit and Run
- Driving with a Suspended License Conviction

Individual has been convicted of Driving Under the Influence in the past seven (7) years.  
Individual has an invalid or suspended driver's license.

**Criminal Convictions**

Individual has one or more Felony convictions, within the past seven years from date background check was ordered, for:

- Violent Crime
- Sexual Offense
- Crime Involving Property Damage
- Crime Involving Theft

The scope of background screening services which Sterling is providing Tickengo, as outlined in the above mentioned CPUC decision, consists of:

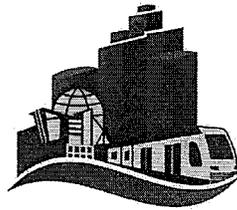
- Social Security Number Trace
- Enhanced National Criminal Records Locator
- National Criminal Database Search
- Motor Vehicle Record Search (Driver's Record)

A handwritten signature in black ink, appearing to read "Stephen Waldvogel", is written over a horizontal line.

Stephen Waldvogel  
Sterling Infosystems, Inc.  
(916)251-5780  
[swaldvogel@sterlinginfosystems.com](mailto:swaldvogel@sterlinginfosystems.com)

**INFORMATION RECEIVED FROM THE PUBLIC**

**FEBRUARY 19, 2015 BOARD MEETING**



D O W N T O W N  
**SAN DIEGO**  
P A R T N E R S H I P

SDCRAA

FEB 17 2015

Corporate & Information Governance

February 10, 2015

Robert Gleason  
Chairman of the Board  
San Diego County Regional Airport Authority  
3225 North Harbor Drive  
San Diego, CA 92101

Subject:  
Meeting of the Board of the San Diego County Regional Airport Authority  
Meeting of February 19, 2015

Dear Chairman Gleason:

I am writing in my capacity as the President and CEO of the Downtown San Diego Partnership to express the Partnership's support for the San Diego County Regional Airport Authority to amend its policy to allow Transportation Network Companies ("TNC"), commonly referred to as "Rideshare Companies," to access the San Diego International Airport for both pick-up and drop-off services.

The Partnership represents over 300 member organizations and over 11,000 property owners Downtown and is the leading voice in the effort to advance Downtown as the leading economic, cultural, and governmental center of our region. Our Board of Directors has directed me to prepare this letter on behalf of our organization.

Part of Downtown San Diego's strength is derived from the proximity and accessibility of our international airport. It is critical that Downtown workers, residents and visitors have a variety of options for accessing this regional amenity and, in the last few years, it has become clear that our constituents strongly embrace rideshare services as an integral piece of the mobility puzzle.

It is not only forward looking to embrace these new transportation models, it's also good business, and as such, we urge the Board to take the steps necessary to allow TNCs with equal access to Airport Authority property.

Very truly yours,

Kris Michell  
President & CEO



Revised 2/12/15

# Transportation Network Company (TNC) Pilot Program Parameters

Angela Shafer-Payne

Vice President, Operations

David Boenitz

Director, Ground Transportation

February 19, 2015

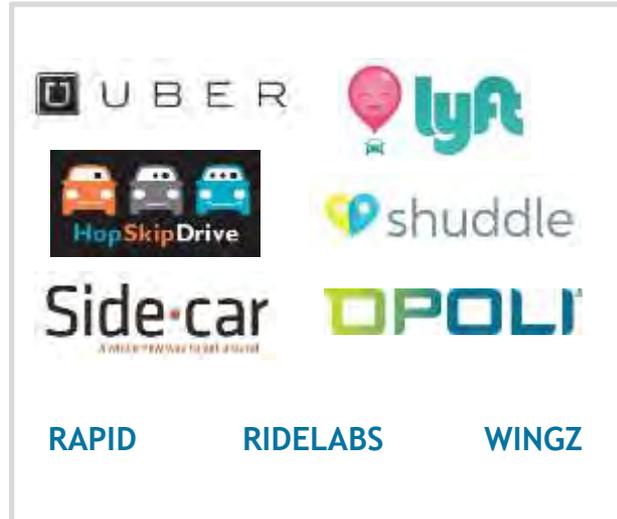
# Why are we moving forward?

On-demand, peer to peer, sharing economy

## Property Rentals



## Transportation Network Company (TNC)



RAPID

RIDELABS

WINGZ

## Car Sharing





# Airport Challenges

- Incorporate new business models into existing structures
- Maintain safety & security
- Meet new and shifting customer expectations
- Maintain a fair and competitive system for all stakeholders
- Maintain consistent enforcement
- Manage curbside congestion
- Manage accountability and liability

# Overview



Legislation and Regulatory Oversight



Other Airports



SDIA Permit Application Requirements

# Pilot Program

*“Unlawful for any person or entity to engage in a business or commercial activity on the Airport without the appropriate grant, franchise, certificate, or permit issued by the Authority” (Authority Code §8.41).*

A TNC Pilot Program Permit would authorize airport access for TNC drivers and vehicles. This Pilot Program would provide:



**Operational experience**



**Essential and actual data**



**Sufficient and equitable oversight**

# Commercial Liability Insurance

TNC commercial liability insurance requirements under the PUC decision are:



**Period 1: App open - waiting for a match.**



**Period 2: Match accepted - but passenger not yet picked up**



**Period 3: Passenger in the vehicle and until the passenger safely exits vehicle.**

# SAN Requirements

Additional SAN Commercial Liability Insurance above the stipulated PUC requirements:



**TNC Insurance Policy available for Airport inspection**



**Financially viable carrier**



**Airport named as additional insured**

# Vehicle Safety and Driver Oversight

Our Goal is to ensure the safest, most secure and most efficient commercial vehicle operational system at SAN. This includes provisions for needed facilities, enabling infrastructure and appropriate resources.



**Driver Background Checks and Driving Record**



**Vehicle Inspection**



**Vehicle Age and Fuel type**

# SAN Requirements

Additional SAN vehicle safety and driver oversight requirements include:



**Driver Background Checks and Driving Record**



**Vehicle Inspections**



**Vehicle Age and Fuel type**

# Passenger Safety and Airport Security

TNC operators must comply with the California Motor Vehicle Code (MVC), applicable state laws, PUC requirements and SAN Rules and Regulations.



**Driver Identification by Passenger and Vehicle Tracking**



**Passenger Pickup Location**



**Passenger Pickup Verification**

# SAN Requirements

Additional SAN passenger safety and airport security requirements include:



**Driver Identification by Passenger and Vehicle Tracking**

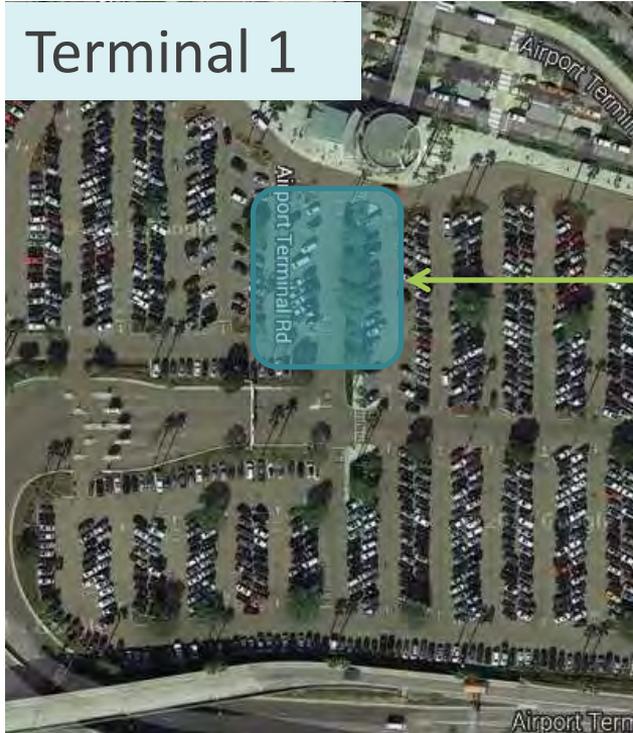


**Passenger Pickup Location**



**Passenger Pickup Verification**

# TNC Designated Pickup Locations



Pick up  
Area



# Operations and Enforcement

Closely monitored throughout the pilot program period and the subsequent permit period. Various law enforcement and regulatory agencies will observe and enforce.



**California Public Utilities Commission**



**Harbor Police Department**



**Airport Traffic Officers (ATOs)**

# Cost Recovery Fees

Calculated fee to cover the airport costs associated with start up and ongoing operations:

## Pilot Permit activation fee

TNC	Percentage of trips	Estimated Cost
UBER	33%	\$70,980
LYFT	24%	\$52,052
SIDECAR	16%	\$33,124
WINGZ	11%	\$23,660
RAPID	9%	\$18,928
OPOLI	7%	\$14,196

## Vehicle Trip Fees

- Pilot Program TNC Trips (estimated through 12/31/15): 25,550 – 32,850
- Non-Clean Air Vehicle/Alternative Fuel Vehicle trip fee - \$1.62 (through 6/30/15)
- Clean Air Vehicle/Alternative Fuel Vehicle trip fee - \$0.97 (through 6/30/15)
- FY16 trip fees derived during the FY16 budget process.

# Realities and Implications

Realities	Implications
<ul style="list-style-type: none"><li>▪ TNCs are charter party carriers and therefore subject to PUC jurisdiction.</li><li>▪ The Commission issued decisions, granted licenses and established basic enforcement protocols but left specific airport regulations to the operator.</li></ul>	<ul style="list-style-type: none"><li>▪ PUC has minimally set the regulatory or enforcement requirements, unlike substantially regulated TCP operators.</li><li>▪ Airport regulations have to ensure public safety and airport security without stifling TNC consumer demand and industry innovation.</li></ul>
<ul style="list-style-type: none"><li>▪ TNCs will impact taxicabs, limousines and VFHs.</li></ul>	<ul style="list-style-type: none"><li>▪ Measurable long-term impact on the other commercial transportation modes. (scale is unknown)</li><li>▪ SAN will monitor and evaluate the impact to ensure all commercial operators are treated equally and objectively.</li></ul>
<ul style="list-style-type: none"><li>▪ Inexperienced, private and non-professional TNC drivers use their personal vehicles for commercial purposes.</li></ul>	<ul style="list-style-type: none"><li>▪ Insurance compliance, driver background checks, vehicle inspections and airport operations' oversight will be necessary.</li></ul>
<ul style="list-style-type: none"><li>▪ Lawsuits are underway over background checks, fare pricing and employee status.</li><li>▪ Additional state legislation</li></ul>	<ul style="list-style-type: none"><li>▪ Some TNCs have changed the wording associated with background checks; others are still working through the courts.</li><li>▪ TNC business and operational models are very likely to evolve with regulations.</li></ul>

# Timeline

December 18, 2014

**SAN Draft Permit #1 issued for comment**

UBER, LYFT, SIDECAR, RAPID, TICKENGO/WINGZ, OPOLI and GT Operators and Permit Holders

January 14 & 15, 2015

**TNC and SAN GT Operator and Permit Holder Feedback Meetings**

Comments, concerns and clarifications provided from TNC representatives and representatives from the SAN taxicab, VFH and limousine operators and stakeholders

February 19, 2015

**Board Presentation**

Provide Board input on the TNC Pilot Program parameters (through 12/31/15)

February 2015

**Incorporate Board Input on TNC Permit Parameters**

Modify and issue to TNCs for acceptance and signature

# Timeline (continued)

March- April  
2015

March/April -  
December 31, 2015

November 1-  
December 31, 2015

## Permit Period Activation

- TNCs advised of permit application
- TNC approval of permit terms and conditions

## TNC Pilot Program

- Pilot Program implemented
- Data collected and TNC activity/compliance evaluated

## Pilot Program Assessment

- Pilot Program data reviewed
- Board notification of results
- ???



# QUESTIONS & DISCUSSION

---

Transportation Network Company (TNC) Pilot Program Parameters

SFO

San Francisco  
International  
Airport

Item 15

# When Technology Disrupts the Airport Business Model Ground Transportation Impacts



Eva Cheong  
Director, Airport Services

ACI-NA CEO Forum  
February 2015



# Disruptive Technology and Ground Transportation – the ‘Sharing Economy’

- Better defined as ‘Collaborative Consumption’
- Two Primary Business Types
  - Peer-to-Peer rental car businesses
  - App-based commercial transportation
    - Taxi apps
    - Limo apps
    - Peer-to-Peer apps (aka TNCs - Transportation Network Companies)





# The Challenge:

- Incorporate new business models into existing structures
- Maintain safety & security
- Meet new and shifting customer expectations
- Maintain a fair and competitive system for all stakeholders
- Maintain consistent enforcement
- Manage curbside congestion
- Manage accountability and liability





San Francisco  
International  
Airport

# SFO's Journey

- Discovery
- Denial
- Acceptance
- Permit Development
- Analysis



## Discovery

- Learned by anecdotal evidence that new businesses were operating on SFO roadways and property
- Attempted to verify scope of unpermitted operations via curbside observation
- Internal incredulity

## Denial

- Period of saying 'no' by way of cease and desist letters
- Efforts to enforce against stealth activity – game of cat and mouse
  - Car share companies simply moved off site, but continue operating at SFO
  - App-based ride companies, called Transportation Network Companies or TNCs in California continue to operate
- SFO develops a database of enforcement statistics



# Acceptance

- California Public Utilities Commission opens proceedings – SFO engages throughout proceedings, including testimony regarding impact of TNCs on Airport operations
- CPUC concludes that TNCs are charter-party carriers subject to CPUC’s jurisdiction
- State legislature gets involved, multiple bills are introduced, SFO testifies at legislative hearings
- SFO meets with TNCs to understand their business models and to educate TNCs about basic permit requirements for all transportation modes





# Permit Development

- “Car Share” Rentals
  - Modified existing business permit to allow parking/rental business
  - Currently, same permit as off-Airport rental car companies
- App-Based commercial transportation - TNC
  - Developed new permit for ‘peer-to-peer’ companies such as Lyft, SideCar and UberX
  - Currently reviewing taxi operations for app-hails
  - Anticipating additional app-based bookings for limo operations



# SFO TNC Permit Highlights

- Pilot Program
  - Data collection, evaluation of impacts
  - Through 8/31/2015, with 90-day evaluation of pick-ups
- Insurance
  - Liability coverage while on Airport property for TNC trip
  - Airport as additional insured
- Identification
  - Vehicle trade dress
  - Electronic waybill
  - Airport placard
- Operations
  - Departures level only for both pick-up and drop-off
  - Shared Limo/TNC staging lot



## **SFO TNC Permit Highlights (cont'd.)**

- Fees and Charges
  - Permit deposit
  - Initial trip fee equal to limo rate - fee charged for each drop-off and pick-up
  - Trips self-reported and payment remitted monthly
- Vehicle Tracking
  - Developed a geo-fence tracking system and app
  - Real time notification of vehicle entry/exit from Airport property and pick-up/drop-off
  - Required data: License plate, driver ID, date/time, GPS location
- Auditing
  - Operational records/data subject to audit by City





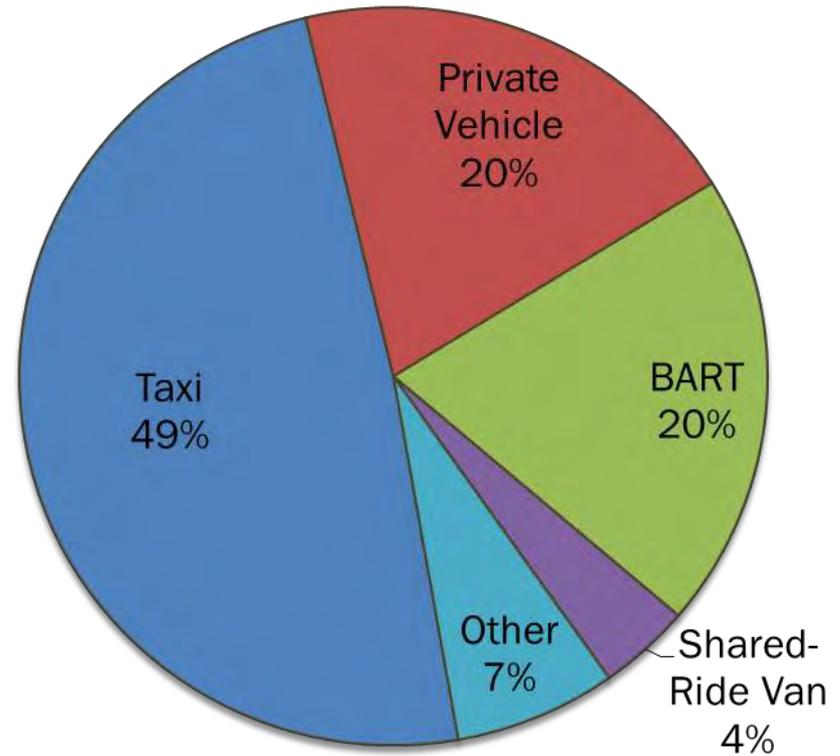
# Analysis and Next Steps

- Three largest TNCs operating under permits since October 2014
- Ongoing data collection for actual impact to operations
- Revenue generated from TNC trip fees in 4Q = \$1.5M
- Additional pilot program to allow for taxi apps
- CPUC has initiated Phase II of the rulemaking for peer-to-peer and limo operators
- CA Regulations in flux – maintain flexibility to modify Permit Terms



# Initial Impacts

- Initial data trends derived from a Customer Ground Access Survey indicate peer-to-peer transportation services capture a vast market. Customers who reported using a TNC to arrive to the airport were asked a subsequent question on how they would have accessed the Airport previously with the following response:



# Lessons Learned and Recommendations

- Can't treat non-traditional businesses in the traditional manner
- Research and Engage
  - Regulations – Local or State
  - Operating models
  - Customer experience
- Manage the impacts
  - Curbside operations
  - Response from other operators
- Plan for the unknown
  - Is this the future of Ground Transportation?
  - What's next? Driverless vehicles?



SFO

San Francisco  
International  
Airport

# When Technology Disrupts the Airport Business Model Ground Transportation Impacts



Eva Cheong  
Director, Airport Services

ACI-NA CEO Forum  
February 2015





**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY**

Meeting Date: **FEBRUARY 19, 2015**

**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 2014-2015 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

# **TRAVEL REQUESTS**

**THELLA F. BOWENS**

**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:**

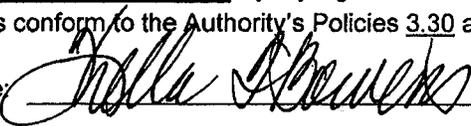
Travelers Name: Thella F. Bowens Dept: 6  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

**2. DATE OF REQUEST:** 1/20/15 **PLANNED DATE OF DEPARTURE/RETURN:** 5/3/15 / 5/6/15

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip– continue on extra sheets of paper as necessary):  
Destination: Atlanta, GA Purpose: Attend Smart Airports & Regions Conference  
Explanation: Speaking on panel: Sustainable Airports

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

<b>A. TRANSPORTATION COSTS:</b>	
• AIRFARE	\$ 600.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 100.00
<b>B. LODGING</b>	\$ 800.00
<b>C. MEALS</b>	\$ 300.00
<b>D. SEMINAR AND CONFERENCE FEES</b>	\$ Comp
<b>E. ENTERTAINMENT (If applicable)</b>	\$
<b>F. OTHER INCIDENTAL EXPENSES</b>	\$ 100.00
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$ 1900.00</b>

**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:  Date: 21 Jan 2015

**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.)

**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: Thella Bowens 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:** 1/16/15 **PLANNED DATE OF DEPARTURE/RETURN:** 2/17/15 / 2/17/15

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip-- continue on extra sheets of paper as necessary):  
Destination: Seattle, WA Purpose: Meeting with Alaska Airlines  
 Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 300.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 50.00

**B. LODGING** \$ \_\_\_\_\_

**C. MEALS** \$ 50.00

**D. SEMINAR AND CONFERENCE FEES** \$ \_\_\_\_\_

**E. ENTERTAINMENT (If applicable)** \$ \_\_\_\_\_

**F. OTHER INCIDENTAL EXPENSES** \$ \_\_\_\_\_

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 400.00

**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: *Thella Bowens* Date: 1/16/15

**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.
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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.)

**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: Thella F. Bowens 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: 1/7/15 PLANNED DATE OF DEPARTURE/RETURN: 3/25/15 / 3/26/15

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):**

Destination: Sacramento, CA Purpose: California Airports Council Board Meeting  
Explanation: \_\_\_\_\_

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 500.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

B. LODGING \$ 185.00

C. MEALS \$ 75.00

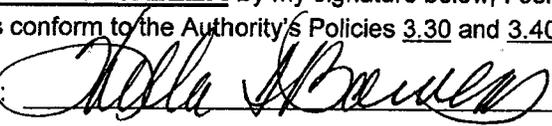
D. SEMINAR AND CONFERENCE FEES \$ \_\_\_\_\_

E. ENTERTAINMENT (If applicable) \$ \_\_\_\_\_

F. OTHER INCIDENTAL EXPENSES \$ \_\_\_\_\_

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 860.00

**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:  Date: 1/7/2015

**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.)

**MARK BURCHYETT**

**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: Mark Burchyett Dept: Chief Auditor  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

**2. DATE OF REQUEST:** 1/21/15 **PLANNED DATE OF DEPARTURE/RETURN:** 6/6/15 / 6/11/15

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Baton Rouge, LA Purpose: Association of Airport Internal Auditors Conference  
Explanation: Attend the 2015 AAIA Conference.

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

<b>A. TRANSPORTATION COSTS:</b>	
• AIRFARE	\$ 550
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 200
<b>B. LODGING</b>	\$ 750
<b>C. MEALS</b>	\$ 200
<b>D. SEMINAR AND CONFERENCE FEES</b>	\$ 500
<b>E. ENTERTAINMENT (If applicable)</b>	\$
<b>F. OTHER INCIDENTAL EXPENSES</b>	\$
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<u>\$ 2200</u>

**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: 1/21/15

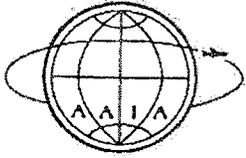
**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- 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.)



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# Association of Airport Internal Auditors

- HOME
- MEMBERSHIP
- ABOUT US
- CONFERENCE & EVENTS
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- USEFUL LINKS

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## Conferences and Events

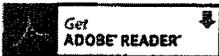


The 26th Annual Conference will be held in Baton Rouge, Louisiana, on June 7-10, 2015.

Conference Materials will be available in early 2015.

Future conference locations are:

- 2016: Seattle, Washington



These documents require Adobe PDF Reader. [Click here to download.](#)

### Who are we?

Learn more about the Association of Airport Internal Auditors [here](#).

### Membership Benefits

Becoming a member of the Association definitely has its benefits, from industry-leading support to the member forum. There are different levels of membership. [Click here for more information.](#)

### Useful Links

The Association has compiled a number of industry-related links for your convenience. [Click here for more.](#)

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**BRETON LOBNER**

**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: Breton K. Lobner Dept: 15  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

**2. DATE OF REQUEST:** 1/26/15 **PLANNED DATE OF DEPARTURE/RETURN:** 4/12/2015 / 4/18/2015

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: New Orleans, LA Purpose: Conference  
Explanation: 2015 Legal Affairs Spring Conference

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 1,132.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 100.00

**B. LODGING** \$ 1272.00

**C. MEALS** \$ 400.00

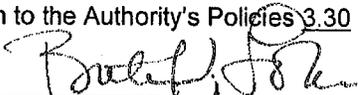
**D. SEMINAR AND CONFERENCE FEES** \$ 825.00

**E. ENTERTAINMENT (If applicable)** \$ \_\_\_\_\_

**F. OTHER INCIDENTAL EXPENSES** \$ \_\_\_\_\_

**TOTAL PROJECTED TRAVEL EXPENSE** \$                     

**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:  Date: 1-26-15

**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.)*

# **EXPENSE REPORT**

**BRETON LOBNER**



**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: Breton K. Lobner Dept: 15  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 12-4-2014 PLANNED DATE OF DEPARTURE/RETURN: 01/15/2015 / 01/18/2015

**3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip- continue on extra sheets of paper as necessary):**

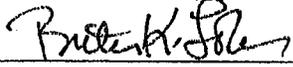
Destination: San Francisco, CA Purpose: for Airports Council Legal Affairs Committee  
Explanation: Workshop - Legal Committee Steering Group meeting

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

• AIRFARE	\$ 560.00
• OTHER TRANSPORTATION (Taxi, Train, Car Rental)	\$ 60.00
B. LODGING	\$ 750.00
C. MEALS	\$ 300.00
D. SEMINAR AND CONFERENCE FEES	\$
E. ENTERTAINMENT (If applicable)	\$
F. OTHER INCIDENTAL EXPENSES	\$
<b>TOTAL PROJECTED TRAVEL EXPENSE</b>	<b>\$</b>

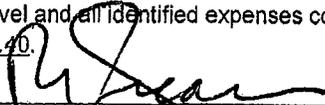
**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 12-4-14

**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: 12-8-14

**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

**ADD TO OUTLOOK**

Thursday, 18DEC 2014 03:51 PM EST

Passengers: BRETON LOBNER (15)

Agency Reference Number: HWQAZM

Click here to view your current itinerary or ETicket receipt on-line: [tripcase.com](http://tripcase.com)

Southwest Airlines Confirmation F4XNFP

Please review your itinerary and report any discrepancies to Traveltrust within 24hrs of receipt  
 Be sure to visit [www.traveltrust.com](http://www.traveltrust.com) for additional travel information

**AIR Thursday, 15JAN 2015**



**Southwest Airlines**

**Flight Number:** 2522

**Class:** T-Coach/Economy

**From:** San Diego CA, USA

**Depart:** 04:00 PM

**To:** San Francisco CA, USA

**Arrive:** 05:30 PM

**Stops:** nonstop

**Duration:** 1 hour(s) 30 minute(s)

**Status:** CONFIRMED

**Miles:** 436 / 698 KM

Equipment: Boeing 737-300 Jet

DEPARTS SAN TERMINAL 1 - ARRIVES SFO TERMINAL 1

FREQUENT FLYER NUMBER

**Southwest Airlines Confirmation number is F4XNFP**

**AIR Saturday, 17JAN 2015**



**Southwest Airlines**

**Flight Number:** 3819

**Class:** T-Coach/Economy

**From:** San Francisco CA, USA

**Depart:** 02:50 PM

**To:** San Diego CA, USA

**Arrive:** 04:20 PM

**Stops:** nonstop

**Duration:** 1 hour(s) 30 minute(s)

**Status:** CONFIRMED

**Miles:** 436 / 698 KM

Equipment: Boeing 737-300 Jet

DEPARTS SFO TERMINAL 1 - ARRIVES SAN TERMINAL 1

FREQUENT FLYER NUMBER

**Southwest Airlines Confirmation number is F4XNFP**

THIS TICKET IS NON-REFUNDABLE AND MUST BE USED FOR THE FLIGHTS BOOKED. IF THE RESERVATION IS NOT USED OR CANCELLED BEFORE THE DEPARTURE OF YOUR FLIGHTS IT MAY HAVE NO VALUE. CONTACT TRAVELTRUST BEFORE YOUR OUTBOUND FLIGHT IF CHANGE IS NECESSARY. SOUTHWEST AIRLINES CONFIRMATION NUMBER - F4XNFP

**Ticket/Invoice Information**

Ticket for: BRETON LOBNER

Ticket Nbr: WN2468360350 Electronic Tkt: No Amount: 136.20

Base: 100.46 Tax: 35.74

Charged to: AX\*\*\*\*\*

Service fee: BRETON LOBNER  
Date issued: 12/18/2014  
Document Nbr: XD0641866357 Amount: 30.00  
Charged to: AX\*\*\*\*\*

Total Tickets: 136.20  
Total Fees: 30.00  
Total Amount: 166.20

**Click here 24 hours in advance to obtain boarding passes:**  
[SOUTHWEST](#)

**Click here to review Baggage policies and guidelines:**  
[SOUTHWEST](#)

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](http://www.tsa.gov).

Thank you for choosing Traveltrust. For EMERGENCY AFTERHOURS assistance, please call 888-221-6043 and use VIP Code SJE72  
Each call is billable at a minimum \$25.00

The Westin St. Francis  
 Union Square  
 335 Powell Street  
 San Francisco, CA 94102  
 (415) 397-7000  
 http://www.westin.com/stfrancis



Lobner, Breton  
 [REDACTED]  
 [REDACTED]  
 [REDACTED]

Page Number 1 Invoice Nbr 1000486505  
 Guest Number 2432148 Arrive Date 01-15-2015 19:15  
 Folio ID A Depart Date 01-17-2015 12:00

No. Of Guest 1  
 Room Number 1996  
 Club Account SPG - AXXXX5113

Invoice

Date	Reference	Description	Charges	Credits
01-15-2015	RT1996	Room Charge Grp Association	\$219.00	
01-15-2015	RT1996	CA Tourism Fee	\$0.18	
01-15-2015	RT1996	SF Tourism Improvement Distric	\$4.93	
01-15-2015	RT1996	Occupancy Tax	\$30.66	
01-16-2015	RT1996	Room Charge Grp Association	\$219.00	
01-16-2015	RT1996	CA Tourism Fee	\$0.18	
01-16-2015	RT1996	SF Tourism Improvement Distric	\$4.93	
01-16-2015	RT1996	Occupancy Tax	\$30.66	
01-17-2015	AX	American Express		\$-509.54
		** Total	\$509.54	\$-509.54
		** Balance	\$0.00	

\*\*\*For Authorization Purpose Only\*\*\*

BRETON K LOBNER

Date	Credit Card	Code	Authorized
01-15-2015	[REDACTED]	[REDACTED]	547.50

Continued on the next page

1/15  
54.00

1/16  
8.50

**ALLIANCE CAB**

2270 McKinnon Avenue, SF, CA 94124  
(415) 934-1757

Date: 1.15.15  
Amount: \$ 54.00  
Other Charges: \$ \_\_\_\_\_  
Total: \$ \_\_\_\_\_

Driver's Name \_\_\_\_\_  
Cab # \_\_\_\_\_

Fare \$ 8.50  
From \_\_\_\_\_  
To \_\_\_\_\_  
Date 1/16/15  
Cab No. \_\_\_\_\_  
Driver \_\_\_\_\_





AIRPORTS COUNCIL INTERNATIONAL - NA  
 1615 L Street N.W., Suite 300  
 Washington, DC 20036  
 Phone: (202) 293 8500  
 Fax : (202) 331-1362  
 E-Mail: postmaster@aci-na.org

Invoice No. 40696

## Invoice

Sold To: Mr. Breton K. Lobner  
 General Counsel  
 San Diego County Regional Airport Authority  
 3225 N. Harbor Drive  
 San Diego, CA 92101

Ship To: Mr. Breton K. Lobner  
 General Counsel  
 San Diego County Regional Airport Authority  
 3225 N. Harbor Drive  
 San Diego, CA 92101

Account No.	Purchase Order No.	Order Date	Order Number	Terms	Invoice Date	Shipping Method	
1039		1/30/2015	75955	Net 30 Days	1/30/2015	United States Postal Service	
Qty Ordered	Qty Shipped	Back-Ordered	Item Code Description	Unit Price	Extended Price		
1	1		Z5740-30-800 Legal Committee Steering Group Lunch	16.80	16.80		
Line Item Total	Freight	Handling	Restocking/ Cancellation Fee	Tax	Subtotal	Amount Received	Amount Due
16.80					16.80		16.80

BRETON K. LOBNER  
PATRICIA G. LOBNER

10997  
16-24/1220 4500  
0732745302

2-4-15  
Date

Pay to the  
Order of

Airports Council International - NA \$ 16<sup>80</sup>

Sixteen and 80/100

Dollars



Security  
Features  
Startle on  
Back



Wells Fargo Bank, N.A.  
California  
wellsfargo.com

Inv. # 40696

For

Lunch San Francisco

Bret K. Lobner

MP

1/15

BreakFast 4.96



Einstein Bagels  
3225 North Harbor Drive  
San Diego, CA

**ORDER #499**

Host: Cashier 2	01/15/2015
ORDER #499	4:19 PM
	10860
Bagel	1.20
Cream Cheese	1.75
Coffee Rg	2.15
S.D.I.A. 10%	-0.51
Subtotal	4.59
Tax	0.37
<b>ToGo Total</b>	<b>4.96</b>
CASH	\$ 5.00
<b>Change</b>	<b>\$ 0.04</b>

Thank You !!!

Check Closed

1/16

Breakfast 2.50

The Coffee Bean & Tea Leaf

## Market

773 Market Street  
San Francisco, CA 94597

1/16/2015 9:05:43 AM  
Order Id: AAAALEK6ACDT  
gg - TO GO  
Employee: FERAS

1 Lemon Poppyseed Loaf	\$2.50
Sub Total	\$2.50
Total Tax	\$0.00
Order Total	\$2.50
Cash	\$3.00
Change Due	\$0.50

--> Order Closed <--

Coffee Bean & Tea Leaf @ Market Street

1/15  
Bret's share \$49.00

1/16  
Bret's share \$49.00

**Slanted Door**  
one ferry building, number three  
san francisco, california  
(415) 861-8032

2116 Kelly

Tbl 91/2      Chk 1427      Gst 10  
Jan15'15 08:46PM

Perbacco  
230 California St.  
San Francisco, CA 94111  
415-955-0663

**DINE IN**

[REDACTED]      [REDACTED]  
[REDACTED]      [REDACTED]  
[REDACTED]      [REDACTED]  
[REDACTED]      [REDACTED]  
1 FRENCH PRESS      4.50  
11 X \$65.00  
11 PRIX FIXE      715.00  
20 %  
Gratuity      152.90  
  
Subtotal      764.50  
Service Chrg      152.90  
SF Mandates      22.94  
Tax      82.28  
Amount Due      1022.62

Server: Joseph      01/16/2015  
Table 44/5      7:11 PM  
Guests: 7  
#20038

[REDACTED]      [REDACTED]  
Octopus      14.00  
Shortrib      30.00  
[REDACTED]      [REDACTED]  
  
Subtotal      68.00  
Tax      6.18  
Healthy SF      2.68  
  
Total      76.86  
  
Balance Due      76.86

\* Thank You \*

Autographed copies of  
"THE SLANTED DOOR"  
and  
"Vietnamese Home Cooking"  
now available

THANK YOU!

1/17

Breakfast 18.22

DOTTIE'S TRUE BLUE CAFE  
28 6TH STREET  
SAN FRANCISCO, CA 94103  
ph (415) 885-2767

Thank You for Visiting

TABLE: C 7 - 1 Guest  
Your Server was Mike  
1/17/2015 10:30:49 AM - ID #: 0189795

ITEM	QTY	PRICE
Coffee	1	\$2.25
Open Road	1	\$14.50
Subtotal		\$16.75
Total Taxes		\$1.47
Grand Total		\$18.22
Amount Due:		\$18.22

Credit Purchase

Name : LOBNER/BRETON  
CC Type [REDACTED]  
CC Num [REDACTED]  
Reference : 128959  
Approval : 00391C  
Server : Mike  
Ticket Name : C 7

Payment Amount: \$18.22

Tip: 3

Total: 21.22

*BKler*

x	15%	20%	25%
	\$2.73	\$3.64	\$4.56

CUSTOMER COPY

I agree to pay the amount shown above.

Please Come Back!

DOTTIE'S TRUE BLUE CAFE  
28 6TH STREET  
SAN FRANCISCO, CA 94103  
ph (415) 885-2767

Guest Check  
Thank You for Visiting

TABLE: C 7 - 1 Guest  
Your Server was Mike  
1/17/2015 10:22:20 AM - ID #: 0189795

ITEM	QTY	PRICE
Coffee	1	\$2.25
Open Road	1	\$14.50
Subtotal		\$16.75
Total Taxes		\$1.47
Grand Total		\$18.22
Amount Due:		\$18.22

Please Come Back!  
Guest Check