



Item #B

San Diego County Regional Airport Authority

Central Receiving and Distribution Center (CRDC)/ Authority Warehouse Development and Financing Update

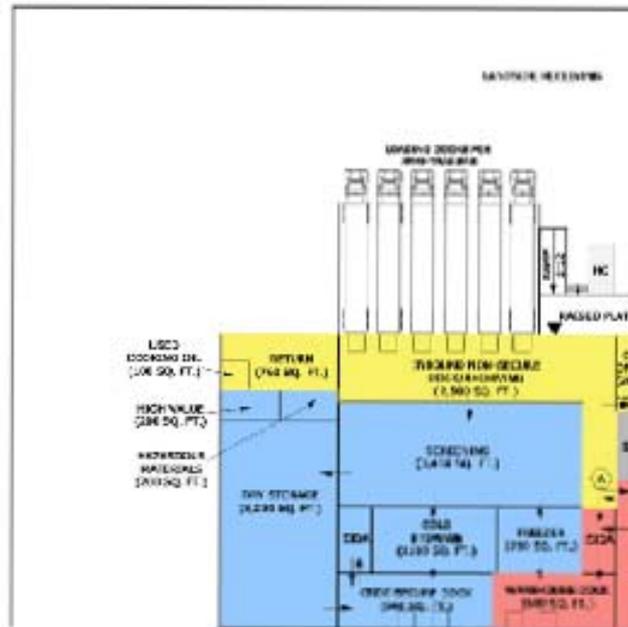
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CRDC/Authority Warehouse Site Plan



CRDC/Authority Warehouse Conceptual Floor Plan



CRDC/ Authority Warehouse

Purpose:

- Centralize and consolidate receiving and distribution of goods delivered to airport
- Provide for expanded and more efficient Authority warehouse
- Replace former loading docks at Terminal 2 West and increase the number of loading docks to accommodate larger concession program
- Provide a facility to accommodate future TSA security screening requirements for goods delivered to airport

Timeline:

- Projected opening: 4th Quarter CY2012

Development/ Financing Options

	Benefits	Issues	Recommended for CRDC/Authority Warehouse?
Option 1: GARB Financing	<ul style="list-style-type: none"> • Low borrowing cost • Authority retains financial upside 	<ul style="list-style-type: none"> • Impact on coverage and capacity • Financial risks 	No
Option 2: Special Facility Financing – Tenant	<ul style="list-style-type: none"> • Access to tax-exempt financing • Off-balance sheet 	<ul style="list-style-type: none"> • Market uncertainties • Less Authority control • Potentially, less financial upside 	No
Option 3: Tenant Financing	<ul style="list-style-type: none"> • No additional debt or off-balance sheet financing • Development expertise • No direct financial risk 	<ul style="list-style-type: none"> • Less Authority control • Limited financial upside 	No
Option 4: Public-Private Partnership	<ul style="list-style-type: none"> • Off-balance sheet • Allows for risk sharing • Development expertise 	<ul style="list-style-type: none"> • Less Authority control • Evolving market conditions • Limited equity available for investment 	Yes



Framework for Development/ Financing Options

3rd Party Options were evaluated based upon:

- Financial feasibility and economic profile of the project
- Business & operational objectives (including facility control)
- Profile of potential facility tenants

Proposed Development/Financing Plan:

- Seek cost efficiencies from developer design/build model
- Authority to fund annual rental payments from subordinate revenues
- CRDC O&M costs will be passed through to concessionaires

Next Steps

- Release Request for Proposals (RFP) this month for Developer to Design/Build/Finance/Lease
- Board Approval of Ground Lease to Developer and Sublease back to Authority – January 2011
- Release RFP this month for Operator of CRDC
- Construction begins 3rd Quarter CY2011 (Estimated)
- Facility Operational – 4th Quarter CY2012



Questions

