

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, MAY 7, 2020
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chairman Boling called the meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, May 7, 2020, in the Board Room via teleconference pursuant to Executive Order N-29-20 and at the San Diego International Airport, Administration Building, 3225 North Harbor Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Board Members: Blakespear, Boling, Cox, Dockery (Ex-Officio), Kersey, Lloyd, McNamara, Robinson, Schiavoni, West

ABSENT: Board Members: Dallarda (Ex-Officio), Miller (Ex-Officio)

ALSO PRESENT: Kimberly J. Becker, President/CEO; Amy Gonzalez, General Counsel; Tony R. Russell, Director, Board Services/Authority Clerk; Martha Morales, Assistant Authority Clerk I

PRESIDENT/CEO REPORT: Kim Becker, President/CEO, provided a synopsis of COVID-19 impacts and the Authority's response efforts. She stated that the TSA throughput numbers remain down 96% from last year and enplanements in fiscal year 2021 are anticipated to be about half of the 13 million expected pre-virus. She reported that as of May 1, masks are required for everyone in the terminal and airlines are beginning to require them on all flights. She reported that the consolidations of airlines into T1W and T2W will help preserve TSA resources along with providing additional savings; and that plans are in place to assist passengers with the new configurations. She reported that while the Authority has extended three months of deferred billing at a value of \$25 million to airlines and to concessions at a value of \$13 million, there is an item on today's agenda requesting additional actions to further support the concession partners. She reported that to date, 11 tenant employees have tested positive for COVID-19 and that the Authority is following CDC protocols for informing staff and tenants as well as protecting all employees. She also reported that measures have been implemented to trim expenses, including a hiring freeze, a reduction in non-essential expenses and delaying over \$170 million worth of non-ADP and non-mission critical capital improvement projects. She reported that costs have been cut aggressively with an estimated savings of at least \$22 million in this fiscal year vs. budget; and that staff has also taken a very hard look at reducing expenses for the FY21 budget. She also reported that staff recently met with airline business representatives and shared preliminary budget information for discussion. She reported that another meeting with the airlines is scheduled May 12 to present the final draft of the proposed budget that will be provided at the budget workshop on May 21. She also reported that the Airport Development Plan (ADP) is proceeding cautiously; and that impacts of COVID-19 on the ADP and all other projects and programs are constantly being evaluated. She reported that the ADP contains several decision points which gives the Authority the opportunity to weigh all factors and determine a course of action

as each point approaches. She reported that the Authority remains in close contact with tenants, stakeholders and partner agencies on this critically needed project; and that the ADP, like the Terminal 2 Green Build that was built during the Great Recession, has the potential of being a much-needed economic catalyst for the region. She also reported that at the federal level, Congress continues its work to provide relief for those impacted by COVID-19; and that in April additional COVID-19 relief legislation passed that provides \$484 billion in supplemental funding for the Paycheck Protection Program, testing efforts and hospitals. She reported that the House and Senate Leadership are anticipated to continue to negotiate on the next phase of COVID-19 relief legislation, and that staff is working with industry partners and consultants in Washington to ensure the Authority is heard in these discussions. She also reported that at the state level, the Governor recently announced that California can begin moving into Stage 2. She reported that staff will continue to monitor the state's progress towards meeting key indicators and the guidance that comes from our state and local leaders to ensure the full safety of our employees and airport users. She also reported that over the past few weeks, she and staff have provided briefings on the status of airport operations to a number of Assembly Members and State Senators. She reported that she has been asked by San Diego Mayor Kevin Faulconer and County Board of Supervisors Chairman, Greg Cox to join an advisory group charged with preparing recommendations for the region's economic reactivation and recovery with Board member Robinson assisting on the committee. She reported that the work aligns with our internal efforts to create a recovery plan for the Airport; and that the County Board of Supervisors unanimously approved a recommendation from the Advisory Group to adopt the Reopen San Diego Business Safety Framework. She also reported that the Authority's Business Continuity Plan COVID-19 Working Group has begun looking at recovery plans to facilitate employees coming back to work and Airport Authority visitors when it is deemed safe.

In response to Board Member West regarding whether the Authority would be impacted by the Governor's newest executive order which shifted the responsibility from employees having to provide evidence that they did not contract COVID-19 to placing it on the businesses, Matt Harris, Director, Government Relations stated that the Authority did receive the order and that staff was working with the Talent Culture and Capability department and General Counsel to evaluate any impacts. He stated that currently the Authority does not have any claims that would be specifically addressed by the order.

NON-AGENDA PUBLIC COMMENT: Tony R. Russell, Authority Clerk, reported that all non-agenda public comments received by the Authority Clerk via e-mail were sent to the Board. He stated that per the instructions on the agenda, those received before 4:00 p.m. the day prior to the meeting would be read for the record:

FARAIDON BUSTANI, requested that staff present to the Board the issue of postponing the opening of airport permits to all taxis.

JEMAL MOHAMMED, requested that staff present to the Board the issue of postponing the opening of airport permits to all taxis.

MEHRUDDIN KHAWAJA, requested that staff present to the Board the issue of postponing the opening of airport permits to all taxis.

NAJIB SAYAR, requested a postponement to the opening of the airport to all taxis.

NAJIBULLAH BARKZAI, requested the Authority extend the permit opening to all taxis for at least a year and half due to COVID-19.

AJMAD ALASADY, requested that staff present to the Board the issue of postponing the opening of airport permits to all taxis.

ABDULLAH WAHAB, requested that the Board discuss the extension of opening the airport to all taxis.

HAMID ALHAAM requested that, due to COVID-19, the opening of the airport to all taxis be extended.

ABDUL POPAL, requested a postponement to the opening of the airport to all taxis due to COVID-19.

EDRIS WAHAB, requested a delay to the airport opening its permits to all taxis.

ABEL SEIFU requested that the Board reevaluate the timeline of opening the airport to all taxis due to the pandemic.

HASHMATULLAH HASSAZDA requested that payments for airport taxi permits be postponed.

HASSAN NAZAR, requested the postponement of opening the airport to all taxis due to COVID-19.

ABDU ALI, requested that staff present to the Board the issue of opening the airport to all taxis.

AZIZULLAH NAWABI, requested the postponement of opening the airport to all taxis due to COVID-19.

NILOFAR SHEFA, requested that the airport not open permits to all taxis.

HARESS EBRAHIM, requested that the opening of the airport to all taxis be delayed.

NASSER A. TEHRANI, requested the postponement of opening the airport to all taxis for a couple of years due to the economic impacts of COVID-19.

A MUSTAFA, expressed his concern to opening the airport to all taxis and requested a postponement.

AHMAD J. SHEFA requested the postponement of opening the airport to all taxis.
ADRIAN KWIATKOWSKI requested that the Authority delay opening the taxi system by one year to January 2022 as a result of the economic impacts of the Coronavirus.

CARELYN REYNOLDS requested that a hold be placed on the entry of city cabs into the airport system, the ground transportation permit renewals, and the collection of trip/permit fees due to the impacts of COVID-19.

BELAL QARGHA requested a postponement of opening the airport to all taxis for three years.

ALFRED BANKS requested a hold on entry of new city cabs into the airport, a suspension of non-transferability policy, and an extension for current permit holders for another year.

CONSENT AGENDA (Items 1-12):

ACTION: Moved by Board Member Lloyd and seconded by Board Member West to approve the Consent Agenda. Motion carried by the following votes: YES – Blakespear, Boling, Cox, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West; NO – None; ABSENT – None; (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the March 23, 2020 special meeting.

2. ACCEPTANCE OF BOARD AND COMMITTEE MEMBERS WRITTEN REPORTS ON THEIR ATTENDANCE AT APPROVED MEETINGS AND PRE-APPROVAL OF ATTENDANCE AT OTHER MEETINGS NOT COVERED BY THE CURRENT RESOLUTION:

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

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM MARCH 9, 2020 THROUGH APRIL 7, 2020 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM MARCH 9, 2020 THROUGH APRIL 7, 2020:

RECOMMENDATION: Receive the report.

- 4. MAY 2020 LEGISLATIVE REPORT:**
RECOMMENDATION: Adopt Resolution No. 2020-0046, approving the May 2020 Legislative Report.
- 5. ANNUAL REVIEW AND NOTIFICATION OF BOARD MEMBER WEIGHTED VOTE POINT ALLOCATION AS REQUIRED BY SECTION 170014 OF THE CALIFORNIA PUBLIC UTILITIES CODE:**
RECOMMENDATION: Adopt Resolution No. 2020-0047, accepting the Board Member Weighted Vote Point Allocation as required by Section 170014 of the California Public Utilities Code.
- 6. WAIVER OF AUTHORITY POLICY 4.01(3) REQUIRING THE SUBMISSION OF THE PROPOSED BUDGET TO THE BOARD SIXTY DAYS PRIOR TO THE END OF THE FISCAL YEAR:**
RECOMMENDATION: Adopt Resolution No. 2020-0048, ratifying the waiver of Authority Policy 4.01(3) requiring that the proposed budget be submitted to the Board sixty days prior to the end of the fiscal year.

CLAIMS

COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

- 7. RATIFICATION OF NON-FEDERAL REIMBURSABLE AGREEMENT NO. AJW-FN-WSA-19-WP-003278 REGARDING ENGINEERING AND TECHNICAL SUPPORT RELATED TO REPLACEMENT OF RUNWAY 27 EMAS:**
RECOMMENDATION: Adopt Resolution No. 2020-0049, ratifying the Non-Federal Reimbursable Agreement No. AJW-FN-WSA-19-WP-003278 regarding Engineering and Technical Support related to replacement of Runway 27 EMAS for up to \$214,355.61.
- 8. AUTHORIZATION TO EXECUTE A MEMORANDUM OF AGREEMENT WITH FEDERAL AVIATION ADMINISTRATION COVERING SELECT NAVIGATIONAL AIDS ON THE AIRFIELD AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2020-0050, authorizing the President/CEO to enter into a Memorandum of Agreement with the FAA covering certain FAA-owned and operated navigational aids located on the Airfield at San Diego International Airport for a term of twenty years.

9. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A REIMBURSABLE AGREEMENT WITH THE DEPARTMENT OF TRANSPORTATION FEDERAL AVIATION ADMINISTRATION (FAA) FOR THE RELOCATION OF TWO COMPONENTS OF AN FAA SYSTEM THAT CONFLICT WITH ADP PACKAGE 1 – TERMINAL AND ROADWAYS:**
RECOMMENDATION: Adopt Resolution No. 2020-0051, approving and authorizing the President/CEO to Execute a Reimbursable Agreement between the Department of Transportation Federal Aviation Administration (FAA) and the San Diego County Regional Airport Authority for preliminary planning and project design related to the relocation of two components of an FAA system.
10. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXTEND THE CONTRACT TERM FOR QUIETER HOME PROGRAM, PROJECT 9 GROUP 12 (380912) WITH G&G SPECIALTY CONTRACTORS, INC. FROM 384 DAYS TO 584 DAYS:**
RECOMMENDATION: Adopt Resolution No. 2020-0052, authorizing the President/CEO to extend the contract term with G&G Specialty Contractors, Inc. from 384 days to 584 days for Quieter Home Program, Project 9 Group 12, at San Diego International Airport.

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

11. **AWARD A CONTRACT TO S&L SPECIALTY CONSTRUCTION, INC. FOR QUIETER HOME PROGRAM PHASE 10, GROUP 7 PROJECT NO. 381007 FORTY (40) NON-HISTORIC SINGLE-FAMILY AND MULTI-FAMILY UNITS ON TWENTY-NINE (29) RESIDENTIAL PROPERTIES LOCATED EAST AND WEST OF THE SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2020-0053, awarding a contract to S&L Specialty Construction, Inc. in the amount of \$1,266,599.29 for Phase 10, Group 7, Project No. 381007, of the San Diego County Regional Airport Authority's Quieter Home Program.
12. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXTEND THE EXISTING U.S. BANK NATIONAL ASSOCIATION AGREEMENT FOR 6 MONTHS AND NEGOTIATE AND EXECUTE AN AGREEMENT WITH U.S. BANK NATIONAL ASSOCIATION FOR DEPOSITORY BANKING AND LETTER OF CREDIT SERVICES AND WITH MUFG UNION BANK NATIONAL ASSOCIATION FOR MERCHANT CREDIT CARD SERVICES:**
RECOMMENDATION: Adopt Resolution No. 2020-0054, approving and authorizing the President/CEO to extend the existing U.S. Bank National Association agreement for a maximum of 6 months and negotiate and execute an agreement with U.S. Bank National Association for depository banking for a term of five years with five one-year options to extend the term and a maximum amount payable not-to-exceed \$1,000,000.

Adopt Resolution No. 2020-0055, approving and authorizing the President/CEO to negotiate and execute an agreement with U.S. National Bank Association for Letter of Credit Services for a term of 5 years and a compensation amount that shall not exceed \$250,000.

Adopt Resolution No. 2020-0056, approving and authorizing the President/CEO to negotiate and execute an agreement with MUFJ Union Bank National Association for merchant credit card services for a term of five years with five one-year options to extend the term and a maximum amount payable not-to-exceed \$16,000,000.

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

13. **APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO MODIFY CONTRACTUAL REQUIREMENTS TO PROVIDE RENT ABATEMENT TO QUALIFYING NON-AIRLINE TENANTS FOR A TEMPORARY PERIOD NOT-TO-EXCEED SIX (6) MONTHS, AS A RESULT OF THE COVID-19 PANDEMIC:** Hampton Brown, Acting Vice President, Revenue Management & Innovation Division; and Jim DeCock, Acting Director, Revenue Generation & Partnership Development, provided a presentation on Non-Airline Tenant Relief Due to COVID-19 Pandemic that included COVID-19 Timeline, SAN Passenger Throughput, Comparison with 9/11 Impact, SAN Weekly Concession Sales, Rental Car Gross Revenues, Non-Airline Tenant Contract Types, Proposed Rent Abatement In-Terminal Concessions, Proposed Rent Abatement On-Airport Rental Car Companies, Proposed Rent Abatement Ground Lease Companies, Total Proposed Rent Abatement, and Terms and Conditions of Rent Abatement Program.

Tony R. Russell, Authority Clerk read the public comment received into the record:

ROBERT HUNSINGER, ENTERPRISE RENT A CAR COMPANY OF LOS ANGELES, LLC, thanked staff for listening to the concerns voiced by all concessionaires and suggested two changes to the Terms and Conditions outlined in the Staff Report.

In response to Board Member Lloyd's inquiry regarding how the Authority would oversee the tenants who receive the Authority's Rent Abatement Program as well as the Governments Paycheck Protection Program (PPP), as the PPP provides relief that would allow 20% to be used for rent, Mr. DeCock stated that he is working with tenants to determine who qualifies for PPP, and would be in constant communication with them to confirm whether they decide to apply and if they are approved.

RECOMMENDATION: Adopt Resolution No. 2020-0057, approving and authorizing the President/CEO to execute the required agreements to temporarily reduce rental obligations of qualifying non-airline tenants at the Airport, by providing abatement of monthly minimum annual guarantee (MAG), certain fixed-rent and cost recovery payments for a period not to exceed six (6) months beginning April 1, 2020 and ending September 30, 2020, in response to the COVID-19 pandemic crisis.

ACTION: Moved by Board Member Cox and seconded by Board Member West to approve staff's recommendation. Motion carried by the following votes: YES – Blakespear, Boling, Cox, Kersey, Lloyd, McNamara, Robinson, Schiavoni, West; NO – None; ABSENT – None; (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

The Board recessed at 10:06 a.m. and reconvened at 10:09 a.m.

CLOSED SESSION: The Board recessed into Closed Session at 10:10 a.m. to discuss Item 16.

- 14. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: San Diego County Regional Airport Authority v. American Car Rental, Inc., San Diego Superior Court Case No. 37-2016-00024056-CL-BC-CTL
- 15. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Future DB International, Inc. v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2018-00001531-CU-CR-CTL
- 16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Park Assist LLC v. San Diego County Regional Airport Authority, et al.
United States District Court Case No. 18 CV2068 LAB MDD
- 17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: M.W. Vasquez Construction Co. Inc. v. San Diego County Regional Airport Authority, et al.
San Diego Superior Court Case No. 37-2019-000215
- 18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Paragraph (1) of subdivision (d) of Cal. Gov. Code §54956.9)
Name of Case: Quiet Skies San Diego v. San Diego County Regional Airport Authority
San Diego Superior Court Case No. 37-2020-00007998-CU-TT-CTL

- 19. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of cases: 2
- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.
Number of potential cases: 1
- 21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Navy Boat Channel Environmental Remediation
Number of potential cases: 1
- 22. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Number of potential cases: 1
- 23. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
(Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Cal. Gov. Code §54956.9)
Order No. WQ 2019-0005-DWQ by the State Water Resources Control Board pertaining to PFAS
Number of potential cases: 1
- 24. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Approximately 7.5 acres of land located on the north side of the San Diego International Airport property, north-east of Taxiway C
Agency Negotiators: Scott Brickner, John Dillon, Hampton Brown, Eric Podnieks
Negotiating Parties: AFCO, Chuck Stipancic
Under Negotiation: price and terms of payment
- 25. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Airline Operating and Lease Agreement-San Diego International Airport
Agency Negotiators: Kim Becker, Scott Brickner, John Dillon, Kathy Kiefer, Amy Gonzalez
Negotiating Parties: Air Canada, Alaska Airlines, Allegiant Airlines, American Airlines, AmeriFlight, Atlas Air, British Airways, Delta Airlines, Edelweiss, FedEx, Frontier Airlines, JetBlue Airlines, Lufthansa, Southwest Airlines, Spirit, Sun Country, Japan Airlines, United Airlines, UPS, West Air, West Jet
Hawaiian Airlines
Under Negotiation: Price and Terms of Payment

- 26. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: Food & Beverage and Retail Concession Leases - San Diego International Airport
Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Jim DeCock
Negotiating Parties: SSP American Inc., HG-CV Epicure Martinez San Diego, Mission Yogurt Inc., Host International, Inc., PGC-PCI San Diego, Paradies-San Diego LLC, ZoomSystems Inc., InMotion Entertainment Group, LLC, SFS Beauty CA, LLC, SFS Investors JV, Spa Didicus, Inc., Stellar Partners, Inc,
Under Negotiation: Price and Terms of Payment
- 27. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Property: 3355 ADMIRAL BOLAND WAY, SAN DIEGO CA 92101
Agency Negotiators: Kim Becker, Scott Brickner, Hampton Brown, Lisa Poitras
Negotiating Parties: Avis Budget Rental Car LLC; Enterprise Rent-A-Car Company of Los Angeles, LLC; The Hertz Corporation, Fox Rent-A-Car, Inc.; Nevada Lease and Rentals, Inc. dba Payless Car Rental System; Sixt Rent A Car LLC; Advantage Opco, LLC dba Advantage Rent A Car
Under Negotiation: Price and Terms of Payment
- 28. CONFERENCE WITH LABOR NEGOTIATORS:**
(Cal. Gov. Code section 54957.6)
Agency designated representatives: Angela Shafer-Payne, Lola Barnes, Greg Halsey, Rod Betts
Employee organization: California Teamsters Local 911
- 29. THREAT TO PUBLIC SERVICES OR FACILITIES:**
Consultation with: General Counsel and President/CEO

REPORT ON CLOSED SESSION: The Board adjourned out of Closed Session at 10:42 a.m. There was no reportable action.

GENERAL COUNSEL REPORT: None.

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

BOARD COMMENT: None.

ADJOURNMENT: The meeting adjourned at 10:42 a.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT
AUTHORITY BOARD THIS 4TH DAY OF JUNE, 2020.

ATTEST:



TONY R. RUSSELL
DIRECTOR, BOARD SERVICES /
AUTHORITY CLERK

APPROVED AS TO FORM:



AMY GONZALEZ
GENERAL COUNSEL