

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

DRAFT

SPECIAL BOARD

AGENDA

Thursday, February 9, 2012
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/boardmeetings.asp.***

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. 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 Services 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 Services/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 Services/Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.



BOARD MEMBERS

LAURIE BERMAN*
BRUCE R. BOLAND
GREG COX
JIM DESMOND
ROBERT H. GLEASON
LLOYD B. HUBBS
JIM PANKNIN
PEDRO REYES*
COL. FRANK A. RICHIE*
PAUL ROBINSON
TOM SMISEK
ANTHONY K. YOUNG

* EX OFFICIO BOARD MEMBERS

PRESIDENT/CEO
THELLA F. BOWENS

CALL TO ORDER:

PLEDGE OF ALLEGIANCE:

ROLL CALL:

BOARD BUSINESS:

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

PRESENTATIONS:

- A. SAN DIEGO INTERNATIONAL AIRPORT ART PROGRAM UPDATE (EDUCATIONAL ITEM):**
Presented by Constance White, Art Program Manager
- B. AIRPORT ART MURAL AT JUNIOR ACHIEVEMENT BIZ TOWN:**
Presented by Rich Kwiatkowski, Director, Marketing
- C. FINANCIAL UPDATE FOR THE SIX MONTHS ENDED DECEMBER 31, 2011:**
Presented by Vernon Evans, Vice President, Finance/Treasurer
- D. CALENDAR FOR FY 2013 AND FY 2014 BUDGETS:**
Presented by Vernon Evans, Vice President, Finance/Treasurer

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Committee Members: Gleason, Hollingworth, Hubbs, Smisek (Chair), Tartre, Van Sambeek, Young
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Committee Members: Boland, Cox, Desmond (Chair), Smisek
- **FINANCE COMMITTEE:**
Committee Members: Cox (Chair), Desmond, Panknin, Robinson, Young
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Committee Members: Boland (Chair), Gleason, Hubbs, Panknin, Robinson

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Liaison: Panknin
- **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:**
Liaisons: Boland (Primary), Panknin
- **PORT:**
Liaisons: Boland, Gleason (Primary), Smisek

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Representatives: Panknin, Smisek (Primary)
- **WORLD TRADE CENTER:**
Representatives: Panknin (Primary), Young

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 1-14)

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 December 21, 2011, Special meeting, the August 22, 2011 Special Board and Special Executive Personnel and Compensation Committee Meeting, and the January 5, 2012, 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 Services: Tony Russell, Director/Authority Clerk)

3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM DECEMBER 5, 2011 THROUGH JANUARY 8, 2012 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 5, 2011 THROUGH JANUARY 8, 2012:

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

(Procurement: Jana Vargas, Director)

4. FEBRUARY 2012 LEGISLATIVE REPORT:

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2012-0009, approving the February 2012 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. 2012-0010, making appointments to Board committees, liaison positions, the SANDAG Transportation Committee, and the World Trade Center position.

(Corporate Services: Tony Russell, Director/Authority Clerk)

6. REVISE THE AUTHORITY'S NORTH AMERICAN AIR SERVICE INCENTIVE PROGRAM TO EXTEND THE PROGRAM'S DOMESTIC LANDING FEE CREDIT:

The Board is requested to authorize a revision to the Authority's North American Air Service Incentive Program.

RECOMMENDATION: Adopt Resolution No. 2012-0011, authorizing an extension of the Authority's Domestic Landing Fee Credit.

(Air Service Development: Hampton Brown, Director)

7. AUTHORIZE CONTRACTS WITH RECOMMENDED ARTISTS TO DESIGN INTEGRATED ARTWORK FOR SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to authorize contracts with recommended artists.

RECOMMENDATION:

Adopt Resolution No. 2012-0012, approving the Art Advisory Committee recommendation to award Paul Hobson the commission for the Terminal 2 East Ceiling Node Public Art Opportunity in an amount not to exceed \$300,000.

Adopt Resolution No. 2012-0020, approving the Art Advisory Committee recommendation to award Sheryl Oring the commission for the Artist Residency Opportunity in an amount not to exceed \$118,000.

Adopt Resolution No. 2012-0021, approving the Art Advisory Committee recommendation to award Mikyoung Kim the commission for the Hold Room Bays Public Art Opportunity in an amount not to exceed \$502,000.

(Public & Customer Relations: Constance White, Art Program Manager)

8. APPOINTMENT TO THE AIRPORT ART ADVISORY COMMITTEE:

The Board is requested to make an appointment.

RECOMMENDATION: Adopt Resolution No. 2012-0013, approving the appointment of Indra Gardiner to serve on the Airport Art Advisory Committee.

(Public & Customer Relations: Constance White, Art Program Manager)

CLAIMS

9. AUTHORIZE THE REJECTION OF THE CLAIM OF JACOB MOJADAM:

The Board is requested to reject the claim.

RECOMMENDATION: Adopt Resolution No. 2012-0014, authorizing the rejection of the claim of Jacob Mojadam.

(Legal: Breton Lobner, General Counsel)

COMMITTEE RECOMMENDATIONS

10. ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2011:

The Board is requested to accept the report.

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

(Finance: Vernon Evans, Vice President/Treasurer)

11. ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF DECEMBER 31, 2011:

The Board is requested to accept the report.

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

(Finance: Vernon Evans, Vice President/Treasurer)

CONTRACTS AND AGREEMENTS

12. AWARD A CONTRACT TO S&L SPECIALTY CONTRACTING, INC., FOR QUIETER HOME PROGRAM PHASE 6, GROUP 1 (37 HISTORIC AND 1 NON-HISTORIC, EAST AND WEST SIDE, SINGLE FAMILY UNITS ON 38 RESIDENTIAL PROPERTIES):

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2012-0015, awarding a contract to S&L Specialty Contracting, Inc., in the amount of \$2,783,550, for Phase 6, Group 1, Project No. 380601, of the San Diego County Regional Airport Authority's ("Authority's") Quieter Home Program.

(Facilities Development: Iraj Ghaemi, Director)

13. APPROVE AND RATIFY THE "CONSENT TO ASSIGNMENT OF AGREEMENT" ASSIGNING AUTHORITY AGREEMENT AA-1326 WITH QUATEMAN LLP FOR BOND DISCLOSURE LEGAL SERVICES TO POLSINELLI SHUGHART LLP:

The Board is requested to approve and ratify an amendment to an agreement.
RECOMMENDATION: Adopt Resolution No. 2012-0016, approving and ratifying the "Consent to Assignment of Agreement" assigning Authority Agreement AA-1326 with Quateman LLP for bond disclosure legal services to Polsinelli Shughart LLP.

(Legal: Breton Lobner, General Counsel)

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

14. AUTHORIZATION TO: (1) AMEND CONTRACT WITH U.S. BANK, N.A. FOR BANKING SERVICES AND MERCHANT CREDIT CARD SERVICES AND (2) ENTER CONTRACT WITH AMERICAN EXPRESS TRAVEL RELATED SERVICES COMPANY, INC. FOR MERCHANT CREDIT CARD SERVICES:

The Board is requested to amend a contract.
RECOMMENDATION: Adopt Resolution No. 2012-0017, authorizing the President/CEO to take necessary actions to: (1) amend the Authority's contract with U.S. Bank, N.A. ("USB") to permit the Authority to perform as the merchant for purposes of accepting credit card payments by patrons of Authority-owned Airport Parking Lots ("Airport Parking Lots"); and (2) execute a credit card processing contract with American Express Travel Related Services Company, Inc. ("AMEX") to permit Airport Parking Lot patrons to use American Express credit cards for payment.

(Finance: Vernon Evans, Vice President/Treasurer)

PUBLIC HEARINGS:

OLD BUSINESS:

NEW BUSINESS:

15. DISCUSSION AND POSSIBLE ACTION ON INDEMNIFYING THE METROPOLITAN TRANSIT AUTHORITY (MTS) ET AL RE: AIRPORT TAXICAB TRIP FEES:

The Board is requested to consider approval of an indemnity agreement.
RECOMMENDATION: None.

(Legal: Breton K. Lobner, General Counsel)

16. UPDATE ON GROUND TRANSPORTATION:

The Board is requested to receive the report and provide direction.

RECOMMENDATION: Receive the report and provide possible direction related to next steps.

(Finance: Vernon D. Evans, Vice President/Treasurer)

17. GRANT A 10-YEAR LEASE TO (TO BE DETERMINED) TO DESIGN, BUILD AND OPERATE AN AIRPORT LOUNGE IN TERMINAL 2 EAST:

The Board is requested to grant a 10-year lease to design, build, and operate an airport lounge in Terminal 2 East.

RECOMMENDATION: Adopt Resolution No. 2012-0018, authorizing the President/CEO to take all necessary steps to grant a 10-year Lease to (To Be Determined) to design, build, and operate an airport lounge in Terminal 2 East at San Diego International Airport.

(Finance: Vernon Evans, Vice President/Treasurer)

18. GRANT A 37-YEAR LEASE TO LANDMARK AVIATION GSO-SAN, LLC FOR THE DEVELOPMENT AND OPERATION OF A GENERAL AVIATION FIXED BASE OPERATION AT SAN DIEGO INTERNATIONAL AIRPORT:

The Board is requested to authorize an agreement.

RECOMMENDATION: Adopt Resolution No. 2012-0019, authorizing the President/CEO to take all necessary steps to grant a 37-year Lease to LANDMARK AVIATION GSO-SAN, LLC to design, build, and operate a fixed base operation at San Diego International Airport and requiring an investment by LANDMARK AVIATION GSO-SAN, LLC of not less than \$39,000,000.

(Finance: Vernon Evans, Vice President/Treasurer)

CLOSED SESSION:

19. 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: Vernon D. Evans, Vice President, Finance/Treasurer

Negotiating Parties: United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties

Under Negotiation: Sale – terms and conditions

20. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:

Real Property Negotiations Pursuant To Cal. Gov. Code Sections 54954.5(B) and 54956.8.

Property: 1.15 Acre Parcel Located At The Northern Terminus Of 13th Street In Imperial Beach, CA

Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer

Under Negotiation: Sale – Terms and Conditions

21. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code §54956.9 (a)):

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

22. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal. Gov. Code §54956.9(a)):

City of San Diego, Historical Resources Board: In re: Western Salt Company Salt Works, Report No. HRB-08-005

23. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

(Cal.Gov. Code §54956.9(a)):

West Tech, Inc. v. San Diego County Regional Airport Authority, et al.,
L.A.S.C 37-2010-00106565-CU-BC-CTL

24. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

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

25. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b)
[Number of cases: 1] and §54956.9(b)(3)(C) [Liability claim against Authority by Theresa, Warren & Carl Hopkins]

26. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Significant exposure to litigation pursuant to Cal. Gov. Code §54956.9(b):
Kelly Lancaster, David Boenitz, Mary Erickson and Richard Gilb, et al v. SDCERS,
San Diego Sup. Court Case No. 37-2011-G0096238-CU-PO-CT
Number of cases: 1

27. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

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

28. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:

Claim by Jacob Mojadam and others.

Threatened litigation pursuant Section 54956.9(b)(3)(C): (1 case)

Agency claimed against: San Diego County Regional Airport Authority

29. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION

(Cal.Gov.Code §54956.9(a))

Ann Marie Tejcek v. San Diego County Regional Airport Authority, et al.

LASC No. 37-2011-00102856-CU-PO-CTL

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.

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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 1	Thursday	9:00 a.m.	Regular	Board Room
April 12	Thursday	9:00 a.m.	Special	Board Room
May 3	Thursday	9:00 a.m.	Regular	Board Room