



SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT

Item No.
16

Meeting Date: **FEBRUARY 9, 2012**

Subject:

Update on Ground Transportation

Recommendation:

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

Background/Justification:

This report serves to provide the Board with an update of certain issues related to ground transportation at San Diego International Airport (SDIA).

1. Shuttle Services Agreement Update

The Board awarded the Shuttle Services Agreement to Ace Parking Management, Inc. at the August 2011 Board Meeting. A component of Ace's winning bid stated that if Ace was awarded both the shuttle and parking services contracts, it would reduce its hourly shuttle rates. At the October 2011 Board meeting, Ace was awarded the parking services contract. Staff has since negotiated lower hourly rates for all five years of the shuttle contract. The Agreement has been sent to Ace and staff expects final execution of the agreement no later than February 13, 2012.

2. Parking Services Agreement Update

The Board awarded the Parking Services Agreement to Ace Parking Management Inc., at the October 2011 Board Meeting after Ace provided its Best and Final Offer (BAFO). Staff has been working to incorporate the specific enhancements contained in the BAFO into the original agreement provided in the Parking Services Request For Proposals. These enhancements include improved financial reporting, revising budget/expense figures as well as stipulating specific service levels for the five-year agreement. An initial draft with these changes is expected to be sent sent to Ace for comment by February 10, 2012. Staff expects the agreement to be executed by March 1, 2012.

3. Taxicab Front-of-the-Line Privileges

In order to encourage conversion of taxicabs to Alternative Fuel Vehicles (AFV), the Authority offered front-of-the-line privileges through June 30, 2012, for all newly acquired alternative fuel taxicabs. The privileges began on October 25, 2011, but were temporarily suspended by staff on December 8, 2011 due to a protest by taxi drivers about the front-of-the-line privileges in the taxi hold lot. Discussions with the taxicab industry are ongoing and staff hosted meetings with the taxicab industry on January 6, 2012, and Feb 3, 2012, to discuss possible solution program to the issue of front of the line privileges. Staff is moving forward with a revised plan to grant all Airport taxicab permit holders who purchased an AFV by December, 31, 2011, one front-of-the-line

privilege per operating day beginning on February 27, 2012. To account for days since December 8, 2011, where there were no front-of-the-line privileges, the end date for the revised front-of-the-line privilege will be extended 90 days from June 30, 2012 to September 30, 2012.

4. Vehicle Age Limits

Authority Code 9.12 states that any new or replacement vehicle permit not currently permitted shall not be more than seven years old, per Resolution 2010-0027R. Vehicle age limits for taxicabs and door-to-door shuttles have been in place since prior to the Authority's creation in 2003. The policy was originally instituted to ensure compliance with vehicle appearance standards. As part of the Vehicle Conversion Incentive-Based Program, additional mode types (limos/charter, hotel/motel and parking shuttles) were included in the age limit policy. Through conversations with industry representatives, staff has learned the single seven-year age limit for all modes of commercial ground transportation service providers does not work for all providers and presents financial challenges which are unique to each mode. Staff intends to engage in discussions with stakeholders from each mode within the next 90 days to develop useful service limits for each mode. A final staff recommendation will be presented at the May 2012 Board meeting.

Fiscal Impact:

The FY 2012 and FY 2013 Ground Transportation expense budgets are sufficient to cover the costs associated with the front-of-the-line and vehicle age limits. The nominal costs will be included in the Contractual Services line item.

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, as an administrative 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 Coast Act Res. Code Section 30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/TREASURER

SAN ORG



San Diego International Airport

Item 16



Update on Ground Transportation

Vernon D. Evans, CPA

Vice President, Finance/Treasurer and CFO

February 9, 2012

Overview



- Shuttle Services Agreement – Update
- Parking Services Agreement – Update
- Front of the Line for Alternative Fuel Vehicle (AFV) Taxicabs
- Vehicle Age Limits

Shuttle Services Agreement



- Shuttle Services is one of the first Authority agreements which fully contemplates and incorporates worker retention. Lessons learned from the Shuttle Services Agreement will be used as a model for future concession agreements.
- Negotiations have taken place between the Airport Authority and vendor.
- Agreement sent to vendor prior to execution.
- Agreement is expected to be signed by February 13

Parking Services Agreement



Current draft incorporates:

- ACE–proposed BAFO enhancements
- Improved financial reporting
- Updated BAFO expense figures
- Defines specific levels of service
- Draft agreement including changes above is expected to be sent to Ace by February 10, 2012.

Parking Services Agreement



Parking Services is one of the first Authority agreements which fully contemplates and incorporates worker retention. Lessons learned from the Parking Services Agreement will be used as a model for future concession agreements.

- Agreement expected to be executed by March 1, 2012.

Taxicab Front of Line



- Staff conducted multiple meetings with taxi owners who purchased Alternative Fuel Vehicles to discuss possible front of the line solutions
- Staff also invited all Airport taxi drivers to multiple meetings to discuss possible front of the line solutions

Taxicab Front of Line



- Staff recommends granting all taxicab owners who purchased an AFV by Dec 31, 2011 to have ONE front of the line trip per day.
- This privilege will be extended 90 days past the June 30, 2012 expiration to Sept 30, 2012.

Vehicle Age Limit



- Seven (7) year age limit for taxicabs and door-to-door shuttles has been in place since before the Authority's creation in 2003.
- The policy was originally instituted to ensure compliance with vehicle appearance standards.

Vehicle Age Limits



- Taxicab vehicle conditions after 7 years are different among vehicle modes.
- Each vehicle mode type has its own clients with distinct business models, owner needs and operational challenges.
- 7 Year limits for all commercial vehicles is not economically feasible for all industries.

Age Limit Recommendation

- Allow staff 90 days to study and define, with industry stakeholder interaction, useful limits for each individual mode type.

Questions ?



San Diego International Airport