

**DRAFT – Revised 2/27/12**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD**  
**MINUTES**  
**THURSDAY, FEBRUARY 9, 2012**  
**SAN DIEGO INTERNATIONAL AIRPORT**  
**BOARD ROOM**

**CALL TO ORDER:** Chair Gleason called the special meeting of the San Diego County Regional Airport Authority Board to order at 9:07 A.M. on Thursday, February 9, 2012 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 Boland led the Pledge of Allegiance.

**ROLL CALL:**

**PRESENT:** Board Members: Boland, Cox, Desmond, Figge (Ex Officio), Gleason, Hubbs, Panknin, Robinson, Smisek, Young

**ABSENT:** Board Members: Richie (Ex Officio), Reyes (Ex Officio)

**ALSO PRESENT:** Angela Shafer-Payne, Vice President, Planning & Operations; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Sara Real, Assistant Authority Clerk I

Board Member Young arrived during the course of the meeting.

**BOARD BUSINESS:**

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

Chair Gleason noted that the three Board Members who were up for re-appointment in January – Board Member Boland, Board Member Smisek, and Board Member Desmond, have been reappointed, and that they were sworn in prior to the meeting.

**ACTION: Moved by Chair Gleason and seconded by Board Member Boland to appoint Board Members Cox and Panknin to the Executive Committee; and Board Member Panknin as Vice Chair of the Board, noting Board Member Young as ABSENT. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Panknin, Robinson, Smisek, Young; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13)**

**CLOSED SESSION:** The Board recessed into Closed Session at 9:19 a.m. to discuss Item 31.

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GORDON CHURCHILL, SAN DIEGO, spoke in opposition to ground transportation trip fees.

- 31. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Threatened litigation pursuant Section 54956.9(b)(3)(C): (1 case) - Claim by Jacob Mojadam and others. Agency claimed against: San Diego County Regional Airport Authority

**REPORT ON CLOSED SESSION:** The Board reconvened at 9:58 a.m. Breton Lobner, General Counsel, reported that there was no reportable action.

Chair Gleason noted that the agenda would be taken out of order to accommodate members of the public in attendance for specific items.

**NEW BUSINESS:**

- 15. DISCUSSION AND POSSIBLE ACTION ON INDEMNIFYING THE METROPOLITAN TRANSIT AUTHORITY (MTS) ET AL RE: AIRPORT TAXICAB TRIP FEES:**  
Breton Lobner, General Counsel, provided an overview of the taxicab trip fee issue. He stated that the taxicab trip fee is a user fee charged to recover actual costs to taxicabs for operating at the airport, and that all other commercial ground transportation providers pay the airport some type of fee as well. He reported that the Board requested staff to investigate placing the fee on the taxicab meter so that passengers would pay the fee instead of the driver. He stated that the Metropolitan Transit Authority (MTS) requested that the Airport Authority indemnify both MTS and the City of San Diego to place the trip fee on the meter. He distributed a proposed Indemnity Agreement to the Board during the discussion of the item.

GORDON CHURCHILL, SAN DIEGO, spoke in favor of the Indemnity Agreement and imposing the trip fee on the passengers.

In response to Board Member Hubbs regarding why the fee is not imposed on the permit holders, Mr. Lobner explained that the permit is between the Authority and the vehicle owner, and the driver is licensed and permitted separately. He stated that staff was imposing a cost recovery system on taxi and shuttle operators so that the expenses are shared.

*Board Member Young arrived to the dais at 10:10 a.m.*

RECOMMENDATION: None.

**ACTION: Moved by Board Member Panknin and seconded by Board Member Smisek to authorize the President/CEO to execute the Indemnity Agreement between the Authority, the City of San Diego, and the San Diego Metropolitan Transit System (MTS), should they agree to a similar authorization, and to the extent that it is in form and substance, substantially the same as it is presented today. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Panknin, Robinson, Smisek, Young; NO – Boland, Hubbs; ABSENT – None. (Weighted Vote Points: YES – 75; NO – 25; ABSENT – 0)**

Board Member Desmond requested to receive survey data on how other airports handle trip fees prior to execution of the agreement, as well as the statutes of limitation on indemnification.

Board Member Hubbs expressed concern that the Authority is not covered in the event of litigation.

**16. UPDATE ON GROUND TRANSPORTATION:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Update on Ground Transportation, which included an overview, shuttle services agreement, parking services agreement, taxicab front of the line privileges, vehicle age limits, and age limit recommendation.

Chair Gleason disclosed *ex-parte communications* with Steve Levin.

Board Member Panknin disclosed *ex-parte communications* with Mr. Palmeri of Yellow Radio Service.

Board Member Robinson disclosed *ex-parte communications* with Jeff Marston.

In response to Board Member Panknin regarding the status of the Memorandums of Agreement, Angela Shafer-Payne, Vice President, Planning & Operations, stated that staff is proposing a monthly schedule going forward to resolve any outstanding issues. She stated that staff will begin meeting with taxi and shuttle representatives and intend to have the items completed within the next 60 days.

Board Member Panknin stated that eliminating the front of the line privileges would be doing a disservice to those who purchase the vehicles. He stated that since the front of the line privileges were suspended, the Authority should consider extending the time allotted for front of the line privileges so that the drivers can realize the benefits.

Board Member Robinson stated that more incentives are needed to encourage conversion to hybrid vehicles.

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Tony R. Russell, Director, Corporate Services/Authority Clerk, reported that Chair Gleason disclosed *ex-parte communications* with Lisa McGhee and Humberto Peraza.

EDRIS WAHAB, SAN DIEGO, spoke in opposition to front of the line privileges.

STEVEN LEVIN, ESCONDIDO, Greater California Livery Association, spoke in support of the incentive based program being reviewed and revised. He urged the Board to suspend the seven-year requirement for shuttle vehicles.

JEFF MARSTON, SAN DIEGO, San Diego County Airport Shuttle Association, spoke in support of the recommendation regarding the vehicle age requirement. He suggested that the Authority hold a workshop on ground transportation issues.

SARAH SAEZ, SAN DIEGO, United Taxi Workers, stated that replacement incentives are needed, and spoke in opposition to front of the line privileges.

MIKAEIL HUSSEIN, SAN DIEGO, United Taxi Workers, spoke in opposition to front of the line privileges.

PETER ZSCHIESCHE, SAN DIEGO, Employee Rights Center, spoke in opposition to front of the line privileges.

LORENA GONZALEZ, SAN DIEGO, spoke in opposition to the incentive program.

LISA MCGHEE, SAN DIEGO, spoke in opposition to the incentive program and the vehicle age requirement.

LAKE BO, SAN DIEGO, spoke in opposition to front of the line privileges.

ABDIRAZAK MOHALLIM, SAN DIEGO, spoke in support of the hybrid program but in opposition to the front of the line privileges.

JOSEPH GOITOM, BONITA, spoke in opposition to front of the line privileges.

HUSSEIN NIHUR, SAN DIEGO, spoke in opposition to front of the line privileges, and suggested that an advisory board be formed to give drivers a voice in these decisions.

NASSER TEHRANI, POWAY, spoke in opposition to front of the line privileges.

MARGO TANQUAY, SAN DIEGO, spoke in support of staff's recommendation and front of the line privileges once per day only.

TONY HUESO, SAN DIEGO, spoke in support of staff's recommendation.

CARELYN REYNOLDS, SAN DIEGO, spoke regarding the incentive program. She encouraged weekly meetings with all ground transportation stakeholders.

ANTHONY PALMERI, SAN DIEGO, Yellow Radio Service, spoke in support of staff's recommendation.

Board Member Panknin encouraged the leaders of the associations to address the service issues among themselves.

Board Member Smisek stated that front of the line privileges should be eliminated because it is unfair to non-hybrid owners. He suggested that staff meet with the hybrid owners to develop new solutions.

Board Member Boland concurred, stating that not many benefit from the front of the line privilege and it should be eliminated.

Board Member Cox agreed that front of the line privileges should be eliminated, but stated that staff needs to come back to the Board with other alternatives, and to focus on giving other financial incentives to encourage conversion to hybrid vehicles.

Board Member Hubbs concurred that front of the line privileges should be eliminated, but stated that a monetary incentive should be provided instead.

Board Member Young stated that front of the line should be eliminated.

Board Member Desmond stated that owners that bought hybrid vehicles under the front of the line incentive need to be made whole. He stated that the Authority should consider a concession.

Board Member Robinson stated that front of the line privileges should be decreased but not eliminated. He stated that front of the line privileges should be allowed once a day and a new incentive program should be in place before they are removed completely.

Board Member Cox suggested that staff report back to the Board on additional concerns of those who purchased hybrid vehicles.

Board Member Panknin spoke in favor of suspending the vehicle age requirement for one year.

Chair Gleason stated that he would like to see other options for vehicle conversion incentives, and encouraged staff to continue working on solutions regarding the vehicle age requirement.

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

**ACTION:** Moved by Board Member Cox and seconded by Board Member Young to not reinstate the Front of the Line Privilege and to direct staff to report back to the Board in May or June with options to compensate those that purchased alternative fuel vehicles. Motion carried by the following vote: YES – Boland, Cox, Desmond, Hubbs, Gleason, Panknin, Smisek, Young; NO – Robinson; ABSENT – None. (Weighted Vote Points: YES – 92; NO – 8; ABSENT – 0)

*The Board recessed at 11:45 a.m. and reconvened at 11:50 a.m.*

**CLOSED SESSION:** The Board recessed into Closed Session at 11:51 a.m. to discuss items 21, 22, 25 and 27.

- 21. 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
- 22. 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 13<sup>th</sup> Street In Imperial Beach, CA  
Agency Negotiators: Vernon D. Evans, Vice President, Finance/Treasurer  
Under Negotiation: Sale – Terms and Conditions
- 23. 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)

24. **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
25. **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
26. **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
27. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
28. **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]
29. **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
30. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Initiation of litigation pursuant to subdivision (c) of Section 54956.9: (1 case)
31. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
Threatened litigation pursuant Section 54956.9(b)(3)(C): (1 case) - Claim by  
Jacob Mojadam and others. Agency claimed against: San Diego County  
Regional Airport Authority

**REPORT ON CLOSED SESSION:** The Board reconvened at 12:44 p.m. Breton Lobner, General Counsel, reported that there was no reportable action.

**PRESENTATIONS:**

**A. SAN DIEGO INTERNATIONAL AIRPORT ART PROGRAM UPDATE  
(EDUCATIONAL ITEM):**

Constance White, Art Program Manager, provided a presentation on the San Diego International Airport Art Program Update, which included the Site and Opportunity Plan, Special Consideration, Installed, Temporary Installations, Fabrication, Design Development, Construction Documents, Milestones, Funding, and Request.

Board Member Boland requested that the senior leadership from Washington D.C., visiting the USO, be provided with an overview of the public art to be installed in the USO.

**B. FINANCIAL UPDATE FOR THE SIX MONTHS ENDED DECEMBER 31,  
2011:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Financial Update, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Airport Parking Transactions, Monthly Operating Revenue FY 2012, Operating Revenues for the Six Months Ended December 31, 2011, Monthly Operating Expenses FY 2012, Financial Summary, Nonoperating Revenues and Expenses, and Balance Sheets.

**C. CALENDAR FOR FY 2013 AND FY 2014 BUDGETS:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Calendar for FY 2013 and FY 2014 budgets, which included the Status and Timeline.

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

***STANDING BOARD COMMITTEES***

• **AUDIT COMMITTEE:**

Board Member Smisek reported that a joint meeting was held on February 6 with the Terminal Development Program Committee and the discussion centered around Green Build audit.

• **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**

Board Member Desmond reported that the Committee met on January 18 and the mid-year goals and objectives for the three direct reports were discussed.

• **FINANCE COMMITTEE:** None

- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**  
Board Member Boland reported that as of April 2012, the Green Build will be 50% complete, and that a USO site visit is scheduled for February 22, 2012 with executives from Washington.

### **ADVISORY COMMITTEES**

- **AUTHORITY ADVISORY COMMITTEE:**  
Board Member Panknin reported that the next Advisory Committee meeting would be held on April 25, 2012.
- **ART ADVISORY COMMITTEE:**  
Chair Gleason reported that the artist recommendations discussed at the last Art Advisory Committee meeting are on the consent calendar today for approval.

### **LIAISONS**

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
Board Member Robinson reported that meetings have been held with the Steering Committee, the Port of San Diego, and the City of Coronado regarding the safety compatibility factor.
- **CALTRANS:**  
Board Member Figge reported that a ribbon cutting will be held on February 16, 2012 for the completion of the South Bay Expressway I-805/I-905 interchange. He also stated that the U.S. Department of Transportation is going through another round of Tiger Grants.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Board Member Cox reported that on January 13, 2012, the Authority hosted a Green Build tour for San Diego City Councilmember Todd Gloria. He also reported that on February 6, the senate passed the conference report to a four year reauthorization of the Federal Aviation Administration reauthorization bill, which will assist the aviation community with long term planning.
- **MILITARY AFFAIRS:** None
- **PORT:** None

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

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Smisek reported that at the last Committee meeting, a draft of the Regional Safe Routes to School was distributed and it is now being reviewed by different jurisdictions.
- **WORLD TRADE CENTER:**  
Board Member Panknin reported that a decision was made to adopt the international WTC logo. He also stated that a mixer will be held on February 16, 2012 and he invited the Board to attend.

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

Chair Gleason reminded the Board that the retreat will be held March 9-10, 2012. He also noted that he will be attending the March legislative meetings in Washington D.C. He reported that the Airports Council International Commissioners Conference will be held in Pasadena this year, and he encouraged Board Members to attend.

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

Angela Shafer-Payne, Vice President, Planning & Operations, reported that on January 26, 2012, the California Department of Transportation Division of Aeronautics conducted their annual inspection and there were no safety issues identified. She also reported that Alaska Airlines is rolling out new routes.

**NON-AGENDA PUBLIC COMMENT:** None

### **CONSENT AGENDA (Items 1-14):**

GORDON CHURCHILL, SAN DIEGO, spoke to Item 10 and spoke in opposition to ground transportation trip fees.

Chair Gleason noted that he would be abstaining on Item 7 due to a potential conflict of interest.

**ACTION: Moved by Board Member Desmond and seconded by Board Member Boland to approve the Consent Agenda. Motion carried by the following vote: YES – Boland, Cox, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek; NO – None; ABSENT – Young. (Weighted Vote Points: YES – 87; NO – 0; ABSENT – 13, noting Chair Gleason's ABSTENTION on Item 7)**

#### **1. APPROVAL OF MINUTES:**

**RECOMMENDATION:** Approve the minutes of the August 22, 2011, and the December 21, 2011 Special meetings, 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:**  
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 DECEMBER 5, 2011 THROUGH JANUARY 8, 2012 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM DECEMBER 5, 2011 THROUGH JANUARY 8, 2012:**  
RECOMMENDATION: Receive the report.
- 4. FEBRUARY 2012 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2012-0009, approving the February 2012 Legislative Report.
- 5. APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:**  
RECOMMENDATION: Adopt Resolution No. 2012-0010, making appointments to Board committees, liaison positions, the SANDAG Transportation Committee, and the World Trade Center Board.
- 6. REVISE THE AUTHORITY'S NORTH AMERICAN AIR SERVICE INCENTIVE PROGRAM TO EXTEND THE PROGRAM'S DOMESTIC LANDING FEE CREDIT:**  
RECOMMENDATION: Adopt Resolution No. 2012-0011, authorizing an extension of the Authority's North American Air Incentive Program Domestic Landing Fee Credit.
- 7. AUTHORIZE CONTRACTS WITH RECOMMENDED ARTISTS TO DESIGN INTEGRATED ARTWORK FOR SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION:  
Adopt Resolution No. 2012-0012, approving the Art Advisory Committee recommendation to award Paul Hobson Studio 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 Design, LLC the commission for the Hold Room Bays Public Art Opportunity in an amount not to exceed \$502,000.

8. **APPOINTMENT TO THE ART ADVISORY COMMITTEE:**  
RECOMMENDATION: Adopt Resolution No. 2012-0013, approving the appointment of Indra Gardiner to serve on the Art Advisory Committee.
9. **PROPOSED ADOPTION OF PUBLIC PARKING RATE INCREASE:**  
RECOMMENDATION: Adopt Resolution No. 2012-0023, approving an increase to certain parking rates, beginning in February, 2012.

**CLAIMS**

10. **AUTHORIZE THE REJECTION OF THE CLAIM OF JACOB MOJADAM AND ALL OTHERS SIMILARLY SITUATED:**  
RECOMMENDATION: Adopt Resolution No. 2012-0014, authorizing the rejection of the claim of Jacob Mojadam and all others similarly situated.

**COMMITTEE RECOMMENDATIONS**

11. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED DECEMBER 31, 2011:**  
RECOMMENDATION: The Executive Committee recommends that the Board accept the report.
12. **ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF DECEMBER 31, 2011:**  
RECOMMENDATION: The Executive Committee recommends that the Board accept the report.

**CONTRACTS AND AGREEMENTS**

13. **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):**  
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 Quieter Home Program.
14. **APPROVE AND RATIFY THE "CONSENT TO ASSIGNMENT OF AGREEMENT" ASSIGNING AUTHORITY AGREEMENT 2081010S WITH QUATEMAN LLP FOR BOND DISCLOSURE LEGAL SERVICES TO POLSINELLI SHUGHART LLP:**  
RECOMMENDATION: Adopt Resolution No. 2012-0016, approving and ratifying the "Consent to Assignment of Agreement" assigning Authority Agreement 20801010S with Quateman LLP for bond disclosure legal services to Polsinelli Shughart LLP.

**OLD BUSINESS:** None.

**PUBLIC HEARINGS:** None.

**NEW BUSINESS:**

17. **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:**

Chair Gleason reported that he would recuse himself from discussions on this item due to a potential conflict of interest. He left the dais.

Scott Brickner, Director, Financial Planning & Budget, provided an overview of the item.

**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. to permit the Authority to perform as the merchant for purposes of accepting credit card payments by patrons of Authority-owned 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.

**ACTION:** Moved by Board Member Boland and seconded by Board Member Smisek to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Cox, Desmond, Hubbs, Panknin, Robinson, Smisek; NO – None; ABSENT – Gleason, Young. (Weighted Vote Points: YES – 73; NO – 0; ABSENT – 27)

*Chair Gleason returned to the dais.*

18. **AUTHORIZATION FOR A SECOND AMENDMENT TO THE CONTRACT WITH ADVANTAGE PERFORMANCE GROUP FOR STRATEGIC BUSINESS PLANNING SERVICES:**

Jeffrey Lindeman, Senior Director, Organizational Performance & Development, and Len Kinor, Managing Director, Root Learning, provided a presentation on Our Journey in Mastering the Art of Airports, which included the Final Phase, Aligning the Board and Executive Team, Cascading the Message to All of the Authority, Compass Training, Top 7 Priorities for FY 12 and 13, Engaging our Employees to Engage Our Customers, Investing in Our Leaders and Managers, and Engaging Our Partners in the Strategy.

*Board Member Cox left the dais at 1:29 p.m.*

Board Member Desmond expressed concern regarding the dollar amount for this initiative over a three year period on things that management should already be doing.

In response to Board Member Desmond regarding the expectation of management, Angela Shafer-Payne, Vice President, Planning & Operations, stated that management can see success with this program and determined that it is important to continue to engage employees. She stated that this program provides additional tools that will help the management team move forward the seven priorities.

Chair Gleason spoke in support of the strategic engagement efforts, and requested that staff continue to measure its impacts.

Board Member Panknin requested that the Transportation Security Administration be included as one of our partners.

RECOMMENDATION: Adopt Resolution No. 2012-0022, authorizing the President/CEO to take necessary actions to amend the Authority's contract with Advantage Performance Group to add \$407,500 to the current contract amount of \$516,600 for a total contract amount of \$924,100.

**ACTION: Moved by Board Member Boland and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Gleason, Hubbs, Panknin, Robinson, Smisek; NO – Desmond; ABSENT – Cox, Young. (Weighted Vote Points: YES – 67; NO – 12; ABSENT – 21)**

*The Board recessed at 1:36 p.m. and reconvened at 2:06 p.m.*

**19. GRANT A 10-YEAR LEASE TO AIRPORT LOUNGE DEVELOPMENT, INC. TO DESIGN, BUILD AND OPERATE AN AIRPORT LOUNGE IN TERMINAL 2 EAST:**

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on Granting a 10-Year Lease to Airport Lounge Development, Inc. to Design, Build and Operate an Airport Lounge in Terminal 2 East, which included the Background, Location Map, Site Plan, Airport Lounge Selection Timeline, RFP Provisions, Evaluation Matrix, Proposal Ratings & Rankings, Conceptual Layout, Proposed Renderings, and Recommendation.

Board Member Smisek expressed concern with American Airlines' ability to financially commit to the facility, pending the outcome of their Chapter 11 filing.

RECOMMENDATION: Adopt Resolution No. 2012-0018, authorizing the President/CEO to take all necessary steps to grant a 10-year Lease to Airport

Lounge Development, Inc. to design, build, and operate an airport lounge in Terminal 2 East at San Diego International Airport.

**ACTION: Moved by Board Member Boland and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Hubbs, Panknin; NO – Smisek; ABSENT – Cox, Robinson, Young. (Weighted Vote Points: YES – 59; NO – 12; ABSENT – 29)**

20. **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:** Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on Granting a 37-Year Lease to Landmark Aviation to Design, Build and Operate a Fixed Base Operation, which included Potential Northside Development, Situation Analysis, FBO Selection Timeline, RFP Provisions, Evaluation Matrix, Proposal Ratings & Rankings, Conceptual Site Plan, Conceptual Facility Renderings, and Recommendation.

Board Member Panknin expressed concern that there is not enough ramp space.

**JULIE BRODERICK, SIGNATURE FLIGHT SUPPORT**, commended the Authority's efforts on the SOQ and RFQ process.

Thank the board and airport staff for the hard work to get through the SOQ and RFQ and we do appreciate your efforts and we look forward to partnering up with you in the future as well.

**RECOMMENDATION:** Adopt Resolution No. 2012-0019, granting a 37-year lease to Landmark Aviation GSO-SAN, LLC, and authorizing the President/CEO to negotiate and execute the lease 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.

**ACTION: Moved by Board Member Boland and seconded by Board Member Panknin to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Hubbs, Panknin, Smisek; NO – None; ABSENT – Cox, Robinson, Young. (Weighted Vote Points: YES – 71; NO – 0; ABSENT – 29)**

**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 Board adjourned at 2:38 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 1<sup>st</sup> DAY OF MARCH, 2012.

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TONY R. RUSSELL  
DIRECTOR, CORPORATE SERVICES/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL