

DRAFT
SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
SPECIAL BOARD AND EXECUTIVE AND FINANCE COMMITTEE MEETING
MINUTES
THURSDAY, MARCH 21, 2013
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM

CALL TO ORDER:

Chair Gleason called the Special Board Meeting and Executive and Finance Committee meeting to order at 9:04 a.m., Thursday, March 21, 2013, in the Board Room of the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

PLEDGE OF ALLEGIANCE: Board Member Robinson led the Pledge of Allegiance.

ROLL CALL:

Board

Present: Board Members: Alvarez, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek

Absent: Board Members: Berman (Ex Officio), Boland, Desmond, Reyes (Ex Officio)

Executive Committee

Present: Committee Members: Gleason, Robinson, Smisek

Absent: Committee Members: None

Finance Committee

Present: Committee Members: Alvarez, Cox, Hubbs, Robinson, Sessom

Absent: Committee Members: None

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

NON-AGENDA PUBLIC COMMENT - None

NEW BUSINESS

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the February 25, 2013, regular meeting.

ACTION: Moved by Board Member Smisek and seconded by Board Member Robinson to accept staff's recommendation. Motion carried unanimously.

FINANCE COMMITTEE NEW BUSINESS

2. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE EIGHT MONTHS ENDED FEBRUARY 28, 2013:

Vernon Evans, Vice President, Finance/Treasurer, and Kathy Kiefer, Director, Accounting, provided a presentation on the Unaudited Financial Statements for the Eight Months Ended February 28, 2013, which included Enplanements, Gross Landing Weight Units, Car Rental License Fees, Parking Revenue, Operating Revenues for the Month Ended February 28, 2013, Financial Summary for the Month Ended February 28, 2013, Monthly Operating Revenue, Fiscal Year 2013; Monthly Operating Expenses, Fiscal Year 2013; and Balance Sheets.

Chair Gleason requested that staff provide the Board with a spreadsheet regarding debt service that shows actual payments, identifying what is being expensed and what is being capitalized.

RECOMMENDATION: Receive the report.

3. REVIEW OF THE AUTHORITY'S INVESTMENT REPORT AS OF FEBRUARY 28, 2013:

Scott Brickner, Director, Financial Planning and Budget, provided a presentation on the Authority's Investment Report as of February 28, 2013, which included the Total Portfolio Summary, Portfolio Composition by Security Type, Portfolio Composition by Credit Rating, Portfolio Composition by Maturity Distribution, Benchmark Comparison, Details of Security Holdings, Portfolio Investment Transactions, Bond Proceeds Summary, and Bond Proceeds Investment Transactions.

RECOMMENDATION: Receive the report.

ACTION: Moved by Board Member Robinson and seconded by Board Member Alvarez to accept Items 2 and 3. Motion carried unanimously.

EXECUTIVE COMMITTEE NEW BUSINESS

4. **PRE-APPROVAL OF TRAVEL REQUESTS AND APPROVAL OF BUSINESS AND TRAVEL EXPENSE REIMBURSEMENT REQUESTS FOR BOARD MEMBERS, THE PRESIDENT/CEO, THE CHIEF AUDITOR AND GENERAL COUNSEL:**
RECOMMENDATION: Pre-approve travel requests and approve business and travel expense reimbursement requests.

ACTION: Moved by Board Member Smisek and seconded by Board Member Robinson to accept staff's recommendation. Motion carried unanimously.

REVIEW OF FUTURE AGENDAS

5. **REVIEW OF THE DRAFT AGENDA FOR THE APRIL 4, 2013, BOARD MEETING:**
Angela Shafer-Payne, Vice President, Planning & Operations, provided an overview of the draft agenda for the April 4, 2013 Board Meeting.

Ms. Shafer-Payne requested that an item be added to the agenda regarding substitution of a subcontractor for a Terminal 2 East project with Soltek.

In regards to the Ground Transportation update, Chair Gleason requested that staff address the guarantees that were made in terms of cost savings promised by Aç Parking. He also requested that the same amount of detail in the last update be included in this one.

In response to Board Member Cox regarding an item pertaining to Harbor Police expenses, Chair Gleason requested that it be added to the agenda.

6. **REVIEW OF THE DRAFT AGENDA FOR THE APRIL 4, 2013, AIRPORT LAND USE COMMISSION MEETING:**
Angela Shafer-Payne, Vice President, Planning & Operations, provided an overview of the draft agenda for the April 4, 2013 Airport Land Use Commission Meeting.

In regards to Item 7, update on the development of the SDIA Airport Land Use Compatibility Plan, Board Member Hubbs requested an update on moving the City General Plan through the Coastal Commission and whether or not it was approved.

Breton Lobner, General Counsel, notified the Committee that Item 3, consistency determination regarding a solar energy facility, may be exempt and might be removed from the agenda after further review.

ACTION: Moved by Board Member Robinson and seconded by Board Member Smisek to approve Items 5 and 6, as amended. Motion carried unanimously.

BOARD BUSINESS

7. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE TASK/WORK AUTHORIZATIONS WITH THE CONSTRUCTION MANAGER-AT-RISK, AUSTIN/SUNDT, A JOINT VENTURE, ASSOCIATED WITH THE RENTAL CAR CENTER:

Bryan Enarson, Vice President, Development, provided an overview of the staff report.

In response to Chair Gleason regarding an update on coastal development permits, Mr. Enarson stated that they are still pending with the Coastal Commission.

RECOMMENDATION: Adopt Resolution No. 2013-0032, authorizing the President/CEO to negotiate and execute Task/Work Authorizations not-to-exceed ten million dollars (\$10,000,000) to allow certain time-sensitive preliminary activities/work elements associated with the Rental Car Center (RCC).

ACTION: Moved by Board Member Robinson and seconded by Board Member Smisek to accept staff's recommendation. Motion carried by the following vote: YES – Alvarez, Cox, Gleason, Hubbs, Robinson, Sessom, Smisek; NO – None; ABSENT – Boland, Desmond. (Weighted Vote Points: YES – 75; NO – 0; ABSENT – 25).

COMMITTEE MEMBER COMMENTS

Chair Gleason requested that staff provide the Board with maps showing the phased openings of the Green Build and the concessions.

Chair Gleason requested that the list of Advisory Committee members, as well as the bio of Oris Dunham, be provided in the Board packet.

In response to Chair Gleason regarding sequester impacts, Angela Shafer-Payne, Vice President, Planning & Operations, stated that there are potential furlough impacts at the tower which are being closely monitored. She stated that the local Transportation Security Administration has not currently been impacted but overtime is being supervised. She further stated that Customs & Border Protection, who handle the cruise ship terminal as well as cargo operation, will begin furloughing employees in mid-April that will impact the flow of international passenger traffic. She stated that the airlines are developing strategies to

address this, and Authority staff are looking at options to make the longer wait more comfortable for passengers.

ADJOURNMENT

The meeting was adjourned at 9:51 a.m. The next meeting of the Executive and Finance Committee will be held on Monday, April 22, 2013, at 9:00 a.m. in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 N. Harbor Drive, San Diego, CA 92101.

APPROVED BY A MOTION OF THE EXECUTIVE COMMITTEE OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY THIS 2nd DAY OF MAY, 2013.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

DRAFT

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, APRIL 4, 2013
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER: Chair Gleason called the meeting of the San Diego County Regional Airport Authority Board to order at 9:02 a.m. on Thursday, April 4, 2013, in the Board Room at the San Diego International Airport, Commuter Terminal, 3225 North Harbor Drive, San Diego, CA 92101.

ROLL CALL:

PRESENT: Board Members: Alvarez, Berman (Ex Officio), Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek

ABSENT: Board Members: Boland, Reyes (Ex Officio)

ALSO PRESENT: Thella F. Bowens, President/CEO; Breton K. Lobner, General Counsel; Tony R. Russell, Director, Corporate Services/Authority Clerk; Lorraine Bennett, Assistant Authority Clerk II

PLEDGE OF ALLEGIANCE: Board Member Cox led the Pledge of Allegiance.

Chair Gleason announced that Item 11 would be heard at this time.

NEW BUSINESS:

- 11. ANNUAL UPDATE REGARDING GROUND TRANSPORTATION:**
Angela Shafer-Payne, Vice President, Planning & Operations introduced the item and summarized the seven issues related to commercial ground transportation at San Diego International Airport, which included the Vehicle Conversion Incentive-Based Program, Cost Allocation and Cost Recovery, Alternative Fuel Clean Air Vehicle Conversion Program, Memorandums of Agreements with Associations, ACE Parking Management, Inc. Contract Obligation, Taxicab Wait Times, and Airport Infrastructure/Service Improvements.

George Condon, Director, Airside Operations, Aviation Operations & Public Safety, provided a presentation on the Vehicle Conversion Incentive-Based Program, which included Total Number of Alternative Fuel Vehicles/Clean Air Vehicle Permitted.

Board Member Sessom suggested that it would be helpful in the future, for staff to measure vehicles with the most miles travelled, and their impacts on the region with regard to greenhouse gas emissions.

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Cost Allocation and Cost Recovery Program, which included Cost Recovery Calculations for Fiscal Years 2010, 2011 and 2013, Total Costs That Are Allocated by Number of Trips, Permit Fee Calculation - Customer Service Representatives Usage Calculation, and Permit Fee Calculation - SDCASA Vehicles.

George Condon, Director, Airside Operations, Aviation Operations & Public Safety, provided a presentation on the Alternative Fuel/Clean Air Vehicle Conversion Program which included Infrastructure Availability, and Alternative Fuel Stations in San Diego County.

In response to Board Member Alvarez regarding issues with the level of alternative fueling infrastructure in the region, and expectations delineated in the Memorandum of Understanding (MOU) with the Attorney General to advance the overall goal of reducing greenhouse gas emissions, Breton Lobner, General Counsel, stated that staff has communicated with the Attorney General on two occasions to modify portions of the MOU.

Board Member Alvarez suggested that since there is a lack of alternative fueling infrastructure, to notify the Attorney General, that under the circumstances, it does not make sense to require operators to convert their vehicles.

Chair Gleason clarified that from the Board's perspective, there has been a tremendous amount of movement by the shuttle service vehicle operators towards vehicle conversions. He stated that the Board has assessed the MOU intermittently and made the necessary adjustments in recognition of the infrastructure considerations for fueling and vehicle availability. He added that the Board continues its work to affect an outcome.

Board Member Sessom stated that the Authority needs to be concerned with the vehicles that come through the airport and that the Authority should work to satisfy the requirements of the Attorney General in regards to reducing greenhouse emissions.

Board Member Cox stated that if the Authority is to become a green airport, the Authority needs to continue enforcing the conversion requirements.

Board Member Hubbs expressed concern with the Authority potentially making money from the incentives. He suggested that a separate fund be created to benefit the different transportation modes. Thella Bowens, President/CEO, clarified that the revenue associated with the incentive program is not a profit center.

David Boenitz, Director, Business Planning, provided a presentation on the Status of Taxi Memorandums of Agreements with San Diego Taxi Association, San Diego Transportation Association, and Independent Cab Owners Association.

George Condon, Director, Airside Operations, Aviation Operations & Public Safety, provided a presentation on ACE Parking Management Service Agreement which included Parking, Shuttles, Taxicab Wait Times, and Airport Infrastructure/Service Improvements.

Chair Gleason requested that staff continue to seek improvements with regard to the issue of Sunday night taxi cab availability.

KEITH JONES, SAN DIEGO, provided the Board with a performance update by ACE Parking in regards to their commitments as outlined within the agreement.

LISA MCGHEE, SAN DIEGO, spoke regarding their need for earlier notification of permit fee costs, and suggested that the 2009 itemized line item costs associated with allocated costs be re-evaluated.

ADRIAN KWIATKOWSKI, SAN DIEGO, representing Transportation Alliance Group, spoke regarding their efforts to seek financial vehicle incentive programs and resources for transportation providers, and requested that staff provide quarterly updates to the Board on ground transportation.

EDRIS WAHAB, SAN DIEGO, expressed his concern regarding the ongoing issue of permit transferability.

TONY HUESO, SAN DIEGO, commented on the lack of fueling station infrastructure, and limited options for alternative fuel vehicles.

Chair Gleason requested to have staff include in its next report to the Board, looking at alternative fuel vehicle incentive payments during the course of the year, and providing earlier notification of permit fee costs to the transportation providers for their budgets.

In response to Board Member Alvarez regarding the surplus revenue in the current fiscal year, Thella Bowens, President/CEO, stated that any surplus revenue is transferred to the Capital Program and used to fund Capital Projects at the Airport on an ongoing basis.

Board Member Alvarez questioned how cost allocations will be done going forward.

RECOMMENDATION: Receive the update.

ACTION: No action taken.

The Board recessed at 10:58 a.m. and reconvened at 11:11 a.m.

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PRESENTATION:

A. UPDATE FROM THE AUTHORITY ADVISORY COMMITTEE:

Chair Gleason announced that this item would be heard in conjunction with Agenda Item 10.

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:** None.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**
Board Member Hubbs reported that the six new gates at the north concourse will be operating on April 16th. He reported that the installation of tensile fabric on the elevator roadway remains on schedule and under budget.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**
Board Member Desmond reported that at its last meeting, the Committee met in Closed Session to discuss labor negotiations. He stated that the next Committee meeting is scheduled for May 16, 2013.
- **FINANCE COMMITTEE:** None.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:**
Board Member Smisek stated that Oris Dunham, Chair, Authority Advisory Committee, would be providing a report in conjunction with Agenda Item 10.
- **ART ADVISORY COMMITTEE:**
Chair Gleason reported that the Committee membership will be re-constituted in accordance with the recently revised Art Advisory Policy. He reported that on April 10th, the Authority is hosting an Art Program on public art processes and opportunities across the region.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson stated that a status update on the development of the San Diego International Airport would be presented by staff in Item 6 on the ALUC Agenda.

- **CALTRANS:**
Board Member Berman reported that the I-5 public works plan is out for review until the end of April, and a public hearing on the subject is scheduled in Carlsbad tonight.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that during the March 20th – 21st Legislative Conference in Washington, D.C., Authority staff met with Christa Fornarotto, Associate Administrator for Airports, and Kate Lang, Deputy Associate Administrator for Airports, for the Federal Aviation Administration. He reported that Authority staff briefed Congressman Juan Vargas and representatives from the offices of Congressman Darrell Issa, Congressman Duncan Hunter and Congressman Scott Peters. He reported that on March 26th, Authority staff provided an airport briefing and tour for Congressman Scott Peters, and a briefing and tour for Senator Marty Block's chief of staff on March 28th.
- **MILITARY AFFAIRS:** None.
- **PORT:** None.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:**
Board Member Smisek reported that at its last meeting, discussion included issues related to the brakes for the SPRINTER Express. He stated that the next Committee meeting is on April 5th.
- **WORLD TRADE CENTER:** None.

CHAIR'S REPORT:

Chair Gleason stated that he will be attending the upcoming ACI Commissioner's Conference. He requested that staff re-circulate the plans for all activities related to the opening of Terminal 2.

PRESIDENT/CEO'S REPORT:

Thella Bowens, President/CEO, reported on the opening of the checkpoint and baggage system at Terminal 2 West. She reported that the issue of TSA sequestration will not affect local operations in the short term. She announced that the Authority was recently recognized for various awards including Energy Champion in SDG&E's 2013 Energy Showcase; the City of San Diego Recycler of the Year; and Distinguished Owner Honoree for the dual roadway project by the San Diego Chapter of Construction Management Association of America. She reported that Authority staff conducted several Small Business Opportunity Awareness events in Carlsbad, El Cajon and Bonita announcing \$300 million in contract opportunities for North Side improvements. She also announced the recent launch of Alaska Airlines new service to Boston.

NON-AGENDA PUBLIC COMMENT: None.

CONSENT AGENDA (Items 1-8):

Chair Gleason requested that Item 4 and Item 7 be pulled from the Consent Agenda for discussion.

ACTION: Moved by Board Member Smisek, and seconded by Board Member Robinson to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

1. **APPROVAL OF MINUTES:**
RECOMMENDATION: Approve the minutes of the March 1 and March 2, 2013 special meeting, and March 7, 2013 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 FEBRUARY 11, 2013 THROUGH MARCH 10, 2013 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM FEBRUARY 11, 2013 THROUGH MARCH 10, 2013:**
RECOMMENDATION: Receive the report.
4. **APRIL 2013 LEGISLATIVE REPORT:**
ACTION: This item was removed from the Consent Agenda for discussion.
5. **DISPOSITION OF SURPLUS PROPERTY:**
RECOMMENDATION: Adopt Resolution No. 2013-0034, authorizing the disposition of surplus property (materials and/or equipment) by: 1) sale to the highest bidder, 2) donating electronic surplus to San Diego Futures Foundation (SDFF), 3) recycling, and 4) disposing of unwanted items as scrap.

CLAIMS

6. **AUTHORIZE THE REJECTION OF THE CLAIM OF EMILY POMEROY:**
RECOMMENDATION: Adopt Resolution No. 2013-0035, authorizing the rejection of the claim of Emily Pomeroy.

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COMMITTEE RECOMMENDATIONS

CONTRACTS AND AGREEMENTS

7. **CONSENT TO THE SUBSTITUTION OF RJ LANTHIER WITH ABLE HEATING AND AIR CONDITIONING, TO PERFORM HVAC WORK AS A SUBCONTRACTOR TO SOLTEK PACIFIC CONSTRUCTION COMPANY, FOR CAPITAL IMPROVEMENT PROJECT NO. 104056-EXPAND TERMINAL 2 EAST FACILITY AND GRANT THE PRESIDENT/CEO BLANKET AUTHORITY TO ACT AS THE "DULY AUTHORIZED OFFICER" AND "AWARDING AUTHORITY" UNDER SECTIONS 4107-4110 OF THE PUBLIC CONTRACT CODE:**
ACTION: This item was removed from the Consent Agenda for discussion.

8. **AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LETTER OF AGREEMENT WITH LANDMARK AVIATION GSO-SAN, LLC:**
RECOMMENDATION: Adopt Resolution No. 2013-0038, authorizing the President/CEO to execute a Letter of Agreement with Landmark Aviation GSO-SAN, LLC relating to development permitting.

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

ITEM PULLED FROM THE CONSENT AGENDA:

4. **APRIL 2013 LEGISLATIVE REPORT:**
Michael Kulis, Director, Inter-Governmental and Community Relations requested that the position on AB 1092 be changed from "Oppose" to "Watch", due to amendments being made to the bill.

RECOMMENDATION: Adopt Resolution No. 2013-0033, approving the April 2013 Legislative Report.

ACTION: Moved by Board Member Alvarez and seconded by Board Member Desmond to approve staff's recommendation as amended. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

7. **CONSENT TO THE SUBSTITUTION OF RJ LANTHIER WITH ABLE HEATING AND AIR CONDITIONING, TO PERFORM HVAC WORK AS A SUBCONTRACTOR TO SOLTEK PACIFIC CONSTRUCTION COMPANY, FOR CAPITAL IMPROVEMENT PROJECT NO. 104056-EXPAND TERMINAL 2 EAST FACILITY AND GRANT THE PRESIDENT/CEO BLANKET AUTHORITY TO ACT AS THE "DULY AUTHORIZED OFFICER" AND "AWARDING AUTHORITY" UNDER SECTIONS 4107-4110 OF THE PUBLIC CONTRACT CODE:**
Chair Gleason stated that there are two actions related to this item: 1) to consent to the substitution of a subcontractor for this project; and 2) to grant the President/CEO blanket authority to act as the "Duly Authorized Officer" and "Awarding Authority" for similar issues.

RECOMMENDATION: Adopt Resolution No. 2013-0036, consenting to the substitution of RJ Lanthier with Able Heating and Air Conditioning, to perform HVAC work as a subcontractor to Soltek Pacific Construction Company, for Capital Improvement Project No. 104056-Expand Terminal 2 East Facility.

Adopt Resolution No. 2013-0037, granting blanket Authority to the President/CEO to act as the "duly authorized officer" and delegating to the President/CEO the Board's functions as the "awarding authority" Under Sections 4107-4110 of the Public Contract code.

ACTION: Moved by Board Member Cox and seconded by Board Member Alvarez to approve staff's recommendation, amending the language in Resolution No. 2013-0037, to require the President/CEO to provide a written report to the Board of any actions taken pursuant to this Resolution. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

PUBLIC HEARINGS: None.

OLD BUSINESS:

9. **CONSENT TO SUBLEASE AGREEMENT BETWEEN STELLAR PARTNERS, INC. AND BROOKSTONE COMPANY, INC. (THIS ITEM WAS CONTINUED FROM THE MARCH 7, 2013 BOARD MEETING):** Vernon Evans, Vice President Finance/Treasurer, stated that in response to questions by the Board at its March 7th meeting, Attachment B of the staff report provides a summary of those questions received to-date and staff's responses.

Board Member Alvarez suggested that staff provide an update to the Board regarding the outcomes of the retention policy in one year.

RECOMMENDATION: Adopt Resolution No. 2013-0027, consenting to a sublease agreement between Stellar Partners, Inc., and Brookstone Company, Inc., and authorizing the President/CEO to execute the consent agreement.

ACTION: Moved by Board Member Alvarez and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

NEW BUSINESS:

10. UPDATE ON THE AIRPORT DEVELOPMENT PLAN FACILITY REQUIREMENTS:

Holland Young, Director, LeighFisher Management Consultants, provided a presentation on the Airport Development Plan (ADP) Facility Requirements which included Section 1, Terminal 1 Existing Conditions Assessment, comprising the Terminal 1 Facility Overview, Construction History, Structural Assessment, Functional Assessment, Security Screening, Baggage Screening, and Concessions; Section 2, Planning Activity Levels – Year Ranges; and Section 3, Anticipated Facility Needs, comprising Airfield Needs, Aircraft Parking Needs, Terminal Facility Needs, Ground Transportation Needs, Support Facility Needs, and ADP Schedule and Next Steps.

Board Member Sessom requested that in future briefings to the Board, that she be notified of any potential impacts to the Destination Lindbergh Plan.

Oris Dunham, Chair, Authority Advisory Committee, provided an overview of the Committee's discussions and considerations regarding this project.

STEVE HOLT, FORT WORTH, TEXAS, representing American Airlines, referred to a letter submitted to the Board dated March 19, 2009, citing concerns about Destination Lindbergh, namely Customer Service, Operations, and Financial.

RECOMMENDATION: Receive the Report.

ACTION: Moved by Board Member Cox and seconded by Board Member Robinson to accept the report. Motion carried by the following vote: YES – Alvarez, Cox, Desmond, Gleason, Hubbs, Robinson, Sessom, Smisek; NO - None; ABSENT - Boland. (Weighted Vote Points: YES - 87; NO - 0; ABSENT- 13).

11. ANNUAL UPDATE REGARDING GROUND TRANSPORTATION:

This item was heard as the first order of business on the Agenda.

12. APPROVAL OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AND THE SAN DIEGO UNIFIED PORT DISTRICT REGARDING POLICE SERVICES COSTS:

RECOMMENDATION: Adopt Resolution No. 2013-0031, approving the Memorandum of Understanding between the San Diego County Regional Airport Authority and the San Diego Unified Port District regarding police services costs.

ACTION: This item was not heard.

The Board recessed at 12:22 p.m. and reconvened at 12:31 p.m.

CLOSED SESSION: The Board recessed into Closed Session at 12:32 p.m. to discuss Items 13, 18, and 20.

- 13. CONFERENCE WITH LABOR NEGOTIATOR:**
Labor negotiations pursuant to Cal. Gov. Code §54957.6:
Authority Designated Negotiators: Thella F. Bowens, President/CEO; and Jeffrey Woodson, Vice President, Administration
Employee Organization: Teamsters 911
- 14. 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
- 15. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Legal Authority: Real property negotiations pursuant to Cal. Gov. Code §54954.5(b) and §54956.8.
Property: 3312 Goldsmith Street, San Diego, CA 92106 (Assessor's parcel #450-142-13-00)
Agency Negotiators: Vernon Evans, Vice President, Finance/Treasurer and Troy Ann Leech, Director, Real Estate
Under Negotiation: Sale of property – terms and conditions
- 16. 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
- 17. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**
(Cal. Gov. Code Section 54956.9(A))
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority S.D.S.C Case No. 37-2012-00088083-CU-BT-CTL
- 18. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (2 cases)
- 19. 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

- 20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Significant exposure to litigation (Cal. Gov. Code §§ 54956.9 (b) and 54954.5)
Number of potential cases: 1
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego

REPORT ON CLOSED SESSION: The Board reconvened at 2:04 p.m. Chair Gleason reported that direction was provided to staff in regard to Item 13, and one of the cases for Item 18. There was no other reportable action.

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 meeting was adjourned at 2:05 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 2nd DAY OF MAY, 2013.

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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