



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY  
STAFF REPORT**

**Item No.  
16**

Meeting Date: **MARCH 7, 2013**

**Subject:**

**Consent to Sublease Agreement Between High Flying Foods San Diego Partnership and Procurement Concepts, Inc.**

**Recommendation:**

Adopt Resolution No. 2013-0028, consenting to a sublease agreement between High Flying Foods San Diego Partnership and Procurement Concepts, Inc., and authorizing the President/CEO to execute the consent agreement.

**Background/Justification:**

In August 2011, the Board awarded a non-exclusive Lease to High Flying Foods San Diego Partnership (HFF-SDP), a joint venture comprised of High Flying Foods San Diego, LLC (95%) and Procurement Concepts, Inc. (5%), for three food and beverage locations in Terminal 2 West. The Lease provides that HFF-SDP shall not assign the Lease or any of the obligations in whole or in part, without the express written consent of the Authority. Additionally, Authority Policy 6.01 requires that the Executive Director (President/CEO) bring all proposed subleases exceeding five years in duration to the Board for its consent. HFF-SDP proposes to enter into a sublease with Procurement Concepts, Inc. (PCI) for the "Artisan Market" located in Terminal 2 West in accordance with its RFP proposal. Attachment A delineates the location of the proposed subleasehold.

PCI will operate under the same terms and conditions as are required by the Lease. The ten (10) year term of the sublease will be coterminous with the Lease. Staff has reviewed PCI's financial capacity and management ability and believes that PCI will be able to develop and operate the concession in accordance with the Lease.

000112

**Fiscal Impact:**

This proposed action will not impact the Minimum Annual Guaranteed (MAG) rent to the Authority payable by HFF-SDP, which is \$322,200.

**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. California Environmental Quality Act ("CEQA") review: This Board action is not a project that would have a significant effect on the environment as defined by the 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 Coastal Act. Pub. Res. Code §30106.

**Equal Opportunity Program:**

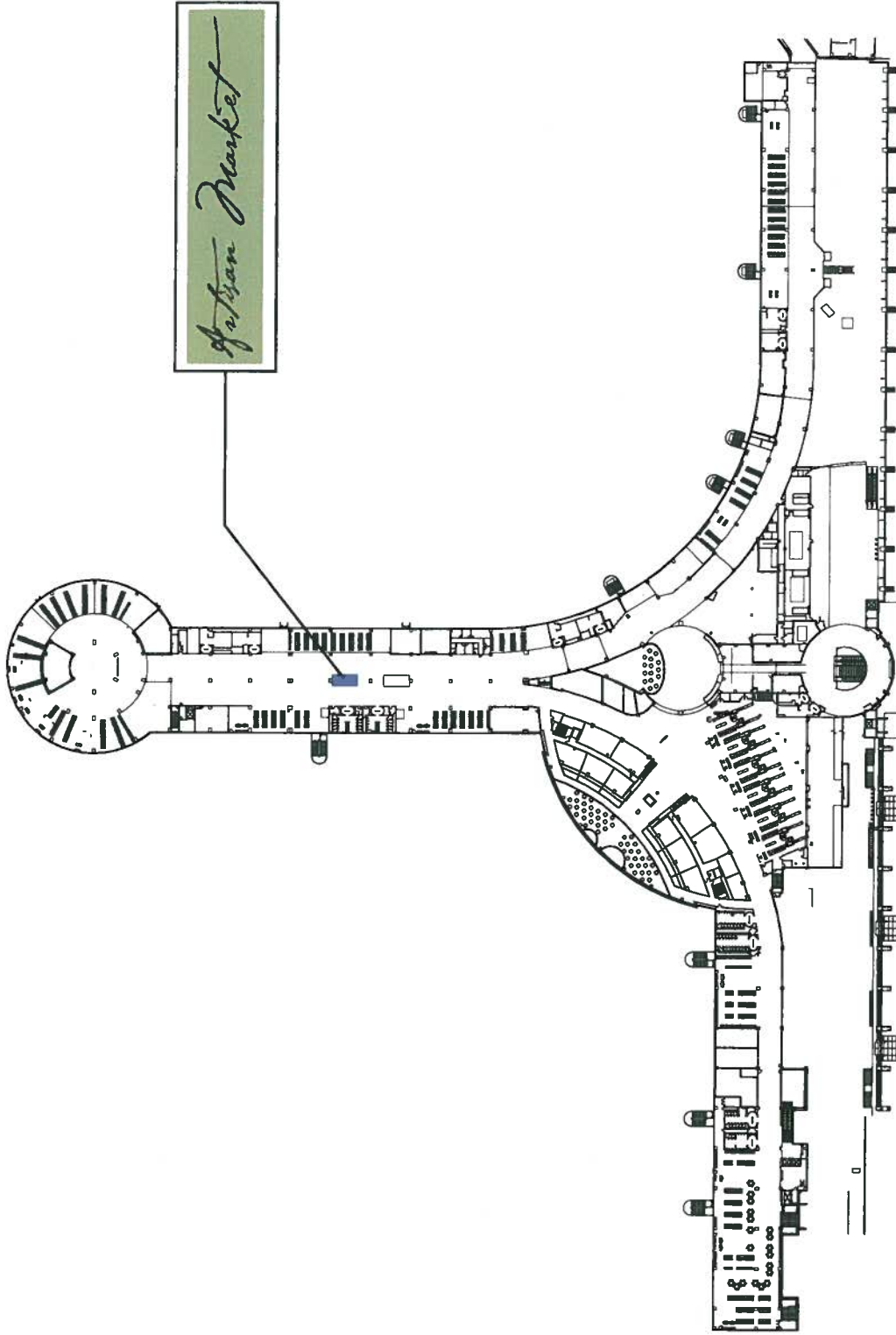
The Authority's small business program promotes the utilization of small, local, disadvantaged, and other business enterprises, on all contracts, to provide equal opportunity for qualified firms. By providing education programs, making resources available, and communicating through effective outreach, the Authority strives for diversity in all contracting opportunities.

The Authority has an Airport Concession Disadvantaged Business Enterprise ("ACDBE") Plan as required by Department of Transportation, 49 Code of Federal Regulations Part 23. The ACDBE Plan calls for the Authority to submit a triennial overall goal for ACDBE participation on all concession projects.

This is an airport concession opportunity; therefore, it will be applied toward the Authority's overall ACDBE goal. PCI is a certified ACDBE. If this sublease is approved, HFF-SDP will have an estimated 18% ACDBE participation, which is consistent with the original proposal.

**Prepared by:**

VERNON D. EVANS  
VICE PRESIDENT, FINANCE/TREASURER



000114 TERMINAL 2 WEST

RESOLUTION NO. 2013-0028

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY CONSENTING TO A SUBLEASE  
AGREEMENT BETWEEN HIGH FLYING FOODS  
SAN DIEGO PARTNERSHIP AND PROCUREMENT  
CONCEPTS, INC., AND AUTHORIZING THE  
PRESIDENT/CEO TO EXECUTE THE CONSENT  
AGREEMENT

WHEREAS, in August 2011, the Board awarded a non-exclusive Lease to High Flying Foods San Diego Partnership (HFF-SDP), a joint venture comprised of High Flying Foods San Diego, LLC (95%) and Procurement Concepts, Inc. (5%), for three food and beverage locations in Terminal 2 West; and

WHEREAS, the Lease provides that HFF-SDP shall not assign the Lease or any of the obligations in whole or in part, without the express written consent of the Authority; and

WHEREAS, Authority Policy 6.01 requires that the Executive Director (President/CEO) bring all proposed subleases exceeding five years in duration to the Board for its consent; and

WHEREAS, HFF-SDP proposes to sublease with Procurement Concepts, Inc. (PCI) for the "Artisan Market" located in Terminal 2 West in accordance with its RFP proposal; and

WHEREAS, PCI will operate under the same terms and conditions as is required by the Lease; and

WHEREAS, the ten (10) year term of the sublease will be coterminous with the Lease; and

WHEREAS, staff has reviewed PCI's financial capacity and management ability and believes that PCI will be able to develop and operate the concession in accordance with the Lease.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby CONSENTS to a sublease agreement between High Flying Foods San Diego Partnership and Procurement Concepts, Inc., and AUTHORIZES the President/CEO to execute the consent agreement; and

BE IT FURTHER RESOLVED by the Board that it FINDS that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA") (California Public Resources Code §21065); and is not a "development" as defined by the California Coastal Act (California Public Resources Code §30106).

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 7th day of March, 2013, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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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