



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

**Item No.  
7**

Meeting Date: **MARCH 21, 2013**

**Subject:**

**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:**

**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).

**Background/Justification:**

The rental car industry plays an important role in the success of San Diego International Airport (SDIA) by providing customer service and non-airline revenue to the Authority. The Authority's proposed RCC Program will provide a long-term facility, for the rental car industry at SDIA, consistent with the Authority's goals for operational efficiency, commitment to environmental stewardship, regulatory compliance, and financial performance, by providing a single consolidated facility, located on the northerly portion of SDIA, from which all rental car companies serving SDIA will operate.

The key features of the new RCC Facility will include:

- A Customer Service Building for rental car transactions and other rental car agent/customer interactions.
- On-airport rental car parking stalls for those rental car companies that want to operate on-airport. This parking will be accommodated on multiple parking levels within the RCC garage for Ready/Return Staging, for customers picking up cars ("Ready") and customers returning rental cars ("Return"). If required, staging for any additional vehicles needed in periods of high demand will be secured by the individual rental car companies at off-site locations.
- Passenger bus transfers for companies that elect to continue to conduct their operations off-airport and not become tenants in the new RCC.

- A Quick Turnaround Area where returned rental cars can be cleaned and fueled by rental car company employees for return to the "Ready" queue. Servicing and repair of vehicles will take place off-site at locations leased by the individual rental car companies.
- A single, common bussing operation to transport the traveling public seeking a rental car to and from the passenger terminals and the RCC, thus reducing traffic congestion on Harbor Drive and on the roadways in front of the passenger terminals.

Previous Board Actions Relating to the RCC Program:

- May 1, 2008 – Certified Final Environmental Impact Report (EIR) for the SDIA Master Plan, including the RCC at the program level.
- March 5, 2009 – Authorized a Customer Facility Charge (CFC) of \$10 per rental car transaction for up to 18 months.
- May 6, 2010 – Authorized the on-going collection of CFCs for designing, financing and constructing the RCC.
- September 1, 2011 – Certified the Northside Improvements Supplemental Environmental Impact Report which included the RCC.
- October 6, 2011 – Authorized the use of \$60 million in CFC funds for design (\$30 million) and enabling projects (\$30 million); and the increase of the FY 2012 - FY2016 Capital Improvement Program (CIP) by \$264 million.
- March 1, 2012 – Board briefing on Construction Management-at-Risk (CMR)—the preferred construction delivery method.
- June 7, 2012 - Approved a \$10 million design contract with Demattei-Wong Architecture, Inc.
- September 6, 2012 – Approved a \$14 million Construction Manager-at-Risk (CMR) contract with Austin/Sundt, a joint venture.
- October 4, 2012 – Authorized an adjustment in the CFC collection rate (\$6 per transaction day through December 31, 2012; \$7.50 per transaction day for the period January 1, 2014 through December 31, 2016; and \$9.00 per transaction day commencing January 1, 2017, limited to five transaction days in each instance);
- November 1, 2012 – Approved the award of future public art contracts NTE \$1.3 million.
- February 25, 2013 – Presented this item at the February Capital Improvement Program Oversight Committee; the committee forwarded this item to the Board with a recommendation for approval

The Authority staff and design team meet monthly, with both technical and business representatives from the rental car agencies, to review the progress of the design and agree on the scope of the project.

The design of the RCC has progressed to the schematic design level—a point in the design process that permits the rendering of the exterior elevations and landscape plans that are required as part of the Authority's application to the California Coastal Commission for approval of a Coastal Development Permit (CDP). That approval process is expected to take, at minimum, six months during which time the design will continue to be advanced. Construction of RCC building elements that require CDP will not be started until all required approvals and permits are obtained.

The CMR is under contract to provide preconstruction services and eventually construction services at-risk. Currently, the CMR's contract is only funded to cover fees and general conditions. Funding to permit the procurement of materials and issuing of construction contracts has yet to be authorized.

The approval of this additional funding (\$10 million) authorization will allow the following RCC preliminary activities/work elements:

1. Relocation of an existing 42" storm water drain line that currently runs directly below the proposed RCC building footprint.
2. Demolition of an abandoned pedestrian bridge, over Pacific Highway, to remove the structural footing that is within the RCC's building footprint
3. Management of on-site dirt stockpiles and environmental hazards associated with former site use
4. Additional General Conditions related to future construction
5. Development of shop drawings by subcontractors, e.g. tower crane, piling, grading, site utilities, concrete superstructure, electrical, plumbing, mechanical, fire protection, conveying system, and fuel system
6. Site preparation, e.g. demolition, fencing, temporary utilities, potholing, trailers and staging areas

### **Fiscal Impact:**

Adequate funds for this action are included within the Authority's FY 2012 - FY 2016 Capital Improvement Program budget. Source of funds, for this \$10,000,000 request, is Customer Facility Charges (CFCs) or other Airport funds.

Board Approved RCC Budget	\$ 264,000,000
<u>Authorized Spending</u>	
Design (Authorized October 2011)	(\$ 30,000,000)
Preliminary Activities/Work Elements (this request)	<u>(\$ 10,000,000)</u>
Total authorized spending	(\$ 40,000,000)
 Unauthorized Spending Balance	 \$ 224,000,000

**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. The proposed rental car center was evaluated subject to the CEQA, Pub. Res. Code Section 21065 as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH #2005091105; SDCRAA #EIR-06-01) certified May 1, 2008 and the Northside Improvements Final Supplemental Environmental Impact Report (also SCH #2005091105; SDCRAA #EIR-10-01) certified by the San Diego County Regional Airport Authority on September 1, 2011.
  
- B. The proposed rental car center will require review by the California Coastal Commission in accordance with the California Coastal Act. On March 8, 2013 the Authority submitted an application for a coastal development permit to the California Coastal Commission for review.

**Equal Opportunity Program:**

Not applicable.

**Prepared by:**

BOB BOLTON  
DIRECTOR

RESOLUTION NO. 2013-0032

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, 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

WHEREAS, the design of the Rental Car Center has progressed to the schematic design level – a point in the design process that permits the rendering of the exterior elevations and landscape plans that are required as part of the Authority's application to the California Coastal Commission for approval of a Coastal Development Permit (CDP); and

WHEREAS, the approval process is expected to take up to six months, during which time design work will continue; and

WHEREAS, the Construction Manager-at-Risk is under contract to provide preconstruction and construction services at-risk.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby AUTHORIZES 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; and

BE IT FURTHER RESOLVED the approval of this additional funding (\$10 million) will allow the following RCC preliminary activities/work elements necessary to enable the RCC program to commence construction immediately after the CDP is issued:

1. Relocation of an existing 42" storm water drain line that currently runs directly below the proposed RCC building footprint.
2. Demolition of an abandoned pedestrian bridge, over Pacific Highway, to remove the structural footing that is within the RCC's building footprint
3. Management of on-site dirt stockpiles and environmental hazards associated with former site use
4. Additional General Conditions related to construction
5. Development of shop drawings by subcontractors, e.g. tower crane, piling, grading, site utilities, concrete superstructure, electrical, plumbing, mechanical, fire protection, conveying system, and fuel system

6. Site preparation, e.g. demolition, fencing, temporary utilities, potholing, trailers and staging areas; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority finds that the proposed rental car center was evaluated subject to the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065 as a project component of the San Diego International Airport Master Plan Final Environmental Impact Report (SCH #2005091105; SDCRAA #EIR-06-01) certified May 1, 2008 and the Northside Improvements Final Supplemental Environmental Impact Report (also SCH #2005091105; SDCRAA #EIR-10-01) certified by the San Diego County Regional Airport Authority on September 1, 2011; and the proposed rental car center will require review by the California Coastal Commission in accordance with the California Coastal Act once a preliminary design is accepted by the Authority.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 21<sup>th</sup> 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