



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

Item No.  
**12**

Meeting Date: **DECEMBER 13, 2012**

**Subject:**

**Grant a 10-year Lease, With One Option to Lessee to Extend Term for an Additional 10 years, to USO Council of San Diego to Furnish and Operate a USO Facility At San Diego International Airport**

**Recommendation:**

Adopt Resolution No. 2012-0130, authorizing the President/CEO to take all necessary steps to grant a 10-year lease, with one option to lessee to extend the term for an additional 10 years, to USO Council of San Diego to furnish and operate a USO facility at San Diego International Airport.

**Background/Justification:**

The USO Council of San Diego ("USO") provides a lounge facility and services at San Diego International Airport ("SAN") for traveling active duty military personnel and their families, assisting approximately 10,000 military personnel each month. It currently operates in a temporary 5,574 square foot space located in the former Gate 19 passenger holdroom located in Terminal 1.

The Terminal Development Program (also known as the Green Build) includes the construction of a two-story building planned to accommodate the USO and the Authority's parking management office. The new facility is located near the Terminal 2 East pedestrian bridge as delineated on Attachment A. The USO will occupy the first floor, consisting of 8,839 square feet, as well as the 18,806-square-foot courtyard area.

The proposed Lease is for a term of 10 years with one option to the USO to extend the term for an additional 10 years. It requires the Authority to construct and deliver a facility in move-in condition, including the construction of the building and courtyard area, all interior finishes, cabinetry, restroom and kitchen fixtures, conduit and cabling for electrical, telecommunication and data equipment, and utilities to the premises, as well as built-in barbeque equipment, picnic tables and benches, and exterior landscaping.

The USO will provide, at its expense, all interior design services and materials and interior furnishings, fixtures, and equipment necessary to operate the USO. A paved walkway and wall bordering the courtyard will be reserved for the USO's use as a "Walk of Honor" and "Wall of Honor", upon which the USO will attach plaques or install pavers engraved with donor names. The USO is required to submit a fundraising plan and specifications for the design and materials for the Walk of Honor and the Wall of Honor to the Authority for its prior approval.

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Upon beneficial occupancy of the facility, the USO will assume responsibility for maintenance of its premises, including courtyard improvements, as well as personal property, fixtures and equipment, painting, janitorial service and any repairs or replacements.

It is proposed that the Authority reserve the right to utilize the facility in the event of an Airport emergency, such as an airline incident, or for special events coordinated with the USO.

### **Fiscal Impact:**

The capital costs of design and construction of the USO are included within the \$865 million Green Build budget. In consideration for the valuable service provided by the USO to the Authority by operating, at its own cost, a facility at the Airport that accommodates and facilitates air travel by the large number of U.S. Armed Forces personnel that depart from and arrive at the Airport, the USO will pay the Authority \$1.00/year in space rental.

### **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 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. This Board action is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 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 a Disadvantaged Business Enterprise ("DBE") Plan as required by the Department of Transportation, 49 CFR Part 26. The DBE Plan calls for the Authority to submit an annual overall goal for DBE participation on all federally funded projects.

This project does not utilize federal funds; therefore, it will not be applied toward the Authority's over-all DBE goal.

**Prepared by:**

VERNON D. EVANS  
VICE PRESIDENT, FINANCE/TREASURER

RESOLUTION NO. 2012-0130

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY, AUTHORIZING THE PRESIDENT/CEO TO TAKE ALL NECESSARY STEPS TO GRANT A 10-YEAR LEASE, WITH ONE OPTION TO LESSEE TO EXTEND THE TERM FOR AN ADDITIONAL 10 YEARS, TO USO COUNCIL OF SAN DIEGO TO FURNISH AND OPERATE A USO FACILITY AT SAN DIEGO INTERNATIONAL AIRPORT

WHEREAS, the USO Council of San Diego ("USO") provides a valuable service to the Authority by operating at its own cost a facility at the Airport that accommodates and facilitates air travel by the large number of U.S. Armed Forces personnel that depart from and arrive at the Airport; and

WHEREAS, the USO currently operates in a temporary 5,574 square foot facility in Terminal 1; and

WHEREAS, the Authority, as part of its Terminal Development Program ("TDP") is constructing a replacement USO facility adjacent to Terminal 2 East; and

WHEREAS, the TDP includes a project to construct a new USO facility of approximately 8,839 square feet as well as to pave and landscape an approximately 18,806 square foot courtyard area; and

WHEREAS, the proposed Lease is for a term of 10 years with one unilateral option to the USO to extend the term for an additional 10 years; and

WHEREAS, the Authority is required to construct and deliver the facility in a "move-in" condition, including construction of the building and courtyard area, all interior finishes, cabinetry, restroom and kitchen fixtures, conduit and cabling for electrical, telecommunication and data equipment and utilities to the leased premises, as well as built-in barbeque equipment, picnic tables and benches and exterior landscaping; and

WHEREAS, the USO will provide, at its expense, all interior design services and materials and interior furnishings, fixtures and equipment necessary to operate a USO facility; and

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WHEREAS, a paved walkway and block wall bordering the courtyard will be reserved for the USO's use as a "Walk of Honor" and a "Wall of Honor", upon which the USO will attach plaques or install concrete pavers engraved with donor names, and submit a fundraising plan and specifications for the design and materials for the plaques and pavers to the Authority for its prior approval; and

WHEREAS, upon beneficial occupancy of the new facility, the USO will assume full responsibility for the repair and maintenance of the USO facility, including interior and courtyard improvements for the term of the lease; and

WHEREAS, the Authority proposes to reserve the right to use the facility in the event of an Airport emergency or for special events when coordinated with the USO; and

NOW, THEREFORE, BE IT RESOLVED that the Board adopts the findings stated above and authorizes the President/CEO to take all necessary steps to grant a 10-year lease, with one option to lessee to extend the term for an additional 10 years, to USO Council of San Diego to furnish and operate a USO facility at San Diego International Airport; and

BE IT FURTHER RESOLVED that due to the services the USO will provide to the Authority and the San Diego community by accommodating and providing services to numerous traveling active duty military personnel, the Board determines that the annual rental shall be set at \$1.00 per year, subject to change due to action by any applicable government agency, including the Board of the San Diego County Regional Airport Authority and the Federal Aviation Administration; and

BE IT FURTHER RESOLVED that the Authority and its officers, employees, and agents hereby are authorized, empowered, and directed to do and perform all such acts as may be necessary or appropriate in order to effectuate fully the foregoing; and

BE IT FURTHER RESOLVED that the Board of the San Diego County Regional Airport Authority FINDS that this Board action is not a "project" as defined by the California Environmental Quality Act ("CEQA"), Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

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PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a special meeting this 13<sup>TH</sup> day of December, 2012, 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

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