

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD
MINUTES
THURSDAY, SEPTEMBER 1, 2011
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 9:05 A.M. on Thursday, September 1, 2011 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 Young led the pledge of allegiance.

ROLL CALL:

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

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

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

NON-AGENDA PUBLIC COMMENT:

CONSENT AGENDA (Items 1-8):

Chair Gleason requested that Items 5 and 6 be pulled from the Consent Agenda to be voted on after the Financial Update presentation.

Board Member Robinson noted his recusal on item 8.

ACTION: Moved by Board Member Smisek and seconded by Board Member Boland to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek; NO – None; ABSENT – Cox, Young ; noting Board Member Robinson's recusal on Item 8. (Weighted Vote Points: YES – 100; NO – 0; ABSENT – 0)

1. APPROVAL OF MINUTES:

RECOMMENDATION: Approve the minutes of the August 4, 2011 regular meeting and August 4, 2011 special 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:**
ACTION: This item was reconsidered.

3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM JULY 11, 2011 THROUGH AUGUST 7, 2011 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JULY 11, 2011 THROUGH AUGUST 7, 2011:**
RECOMMENDATION: Receive the report.

CLAIMS

COMMITTEE RECOMMENDATIONS

4. **APPOINTMENTS TO THE AUDIT COMMITTEE:**
RECOMMENDATION: The Audit Committee recommends that the Board adopt Resolution No. 2011-0105, appointing Andrew Hollingworth, as a public member to the Audit Committee; and it is also recommended that Board Member Hubbs be appointed to the Audit Committee.

5. **RECEIVE THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.

6. **RECEIVE THE AUTHORITY'S INVESTMENT REPORT AS OF JUNE 30, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.

CONTRACTS AND AGREEMENTS

7. **AWARD A CONTRACT TO SIERRA PACIFIC WEST, INC., TO RELOCATE A PORTION OF THE VEHICLE SERVICE ROAD LOCATED NORTHWEST OF RUNWAY 9-27, AT SAN DIEGO INTERNATIONAL AIRPORT:**
RECOMMENDATION: Adopt Resolution No. 2011-0107, awarding a contract to Sierra Pacific West, Inc., in the amount of \$886,777, for Project No. 104111, Relocate Vehicle Service Road, at San Diego International Airport.

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

**8. AWARD A CONTRACT TO HAZARD CONSTRUCTION COMPANY TO
CONSTRUCT SOUTH SIDE INTERIM PARKING, LOCATED ON A
PORTION OF THE TELEDYNE RYAN SITE, AT SAN DIEGO
INTERNATIONAL AIRPORT:**

RECOMMENDATION: Adopt Resolution No. 2011-0106, awarding a contract to Hazard Construction Company, in the amount of \$2,214,438.00, for Project No. 104125, South Side Interim Parking at San Diego International Airport.

The Board recessed at 9:05 A.M. and reconvened at 9:08 A.M.

OLD BUSINESS:

**10. AWARD AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN
AGREEMENT WITH STANDARD PARKING CORPORATION FOR
PARKING MANAGEMENT SERVICES (CONTINUED FROM THE
AUGUST 4, 2011 MEETING):**

Board Member Boland disclosed ex parte communications with Larry Cushman of Standard Parking Corporation.

Vernon D. Evans, Vice President, Finance, Treasurer, provided a presentation on the item, which included the selection process, evaluation criteria and matrix, reasons for the selection of Standard Parking Corporation, and responses to the Board's questions at the August 4, 2011 meeting.

In response to Board Member Desmond regarding the Code of Federal Regulations (CFR) requirement that no local geographic preference be given for an airport concession and yet the Food and Retail Concessions sought a local flair, Thella F. Bowens, President/CEO, stated that the Food and Retail Concessions RFP called for a regional and local flavor, which can be provided by a company outside of San Diego, and that no points were awarded for being a local company.

In response to Board Member Young regarding whether the Board had the ability to award the contract to a company other than the one recommended by staff, Breton Lobner, General Counsel stated that the Board must award the contract based on the terms and conditions specified in the RFP and that the Board must consider the actual proposal that was submitted. He stated that he did not know if the Board had received and reviewed a copy of the proposals. He added that the Board may ask each of the proposers to submit a best and final offer, and that if the Board were to award the contract to Ace Parking Inc., it would need to make a finding that the panel's recommendation is not supported by the evidence.

In response to Board Member Robinson's concern regarding why operating expenses were not considered, Mr. Evans stated that operating expenses are considered reimbursable expenses controlled by the Authority; and, therefore, staff based its decision on management costs rather than operating expenses.

In response to Chair Gleason regarding the Authority's ability to seek a cap or guarantee of the operating expenses, Mr. Lobner stated that Part 9 of the RFP package allows the Authority to request the respondents to submit a best and final offer, which could address this issue.

PAMELA BROWN, PORTLAND, OR, expressed concern regarding Ace Parking's assertions regarding the RFP process; and she urged the Board to approve staff's recommendation.

CLINT JOY, DENVER, CO, spoke in support of staff's recommendation.

JACQUELINE BESSER, SAN FRANCISCO, spoke in support of staff's recommendation.

MATTHEW PETERSON, SAN DIEGO, spoke in opposition to staff's recommendation.

KEITH JONES, SAN DIEGO, spoke regarding the importance of continuing Ace's relationship with the Authority and Ace's commitment to retaining the current workers. He urged the Board to award the contract to Ace Parking.

MALIN BURNHAM, SAN DIEGO, spoke in support of Ace Parking.

VINCENT MUDD, POWAY, spoke in support of Ace Parking.

KRIS MICHEL, SAN DIEGO, spoke in support of Ace Parking.

IGNACIO DE LA TORRE, CHULA VISTA, spoke in support of Ace Parking.

PAUL WEBSTER, SAN DIEGO, spoke in support of Ace Parking.

LORENA GONZALEZ, SAN DIEGO, spoke in support of Ace Parking.

WENDELL TANKS, SAN DIEGO, encouraged the Board to award the contract to Ace Parking.

DAVID GONZALEZ, SAN DIEGO, encouraged the Board to award the contract to Ace Parking.

JERRY CACATIAN, SAN DIEGO, encouraged the Board to award the contract to Ace Parking.

Board Member Cox expressed concern regarding the small business evaluation criteria. He stated that the proposed fees and costs are important to him. He also expressed concern as to why Ace Parking was not given any points for worker retention.

In response to Board Member Cox regarding the Board's options, Mr. Lobner stated that the Board is obligated to follow the weighting found in the matrix. He clarified that the points could not be reallocated, and that the Authority may have a difficult time, if challenged, changing the methodology and formula on costs and fees, because it was set before proposals were received. He stated that with regard to experience, plan of operation, financial viability, and worker retention, the Board has the ability to clarify these areas. He stated that, at this time, the Board could ask for each proposer for a better offer with regard to worker retention, and if they are going to exceed the standard, the Board could consider the information and the Board could go back and re-evaluate the experience and qualifications. He also stated that the Board could reject all proposals and re-solicit for this contract.

Board Member Panknin stated that the Authority's policy regarding small businesses should be reviewed to consider whether large businesses who subcontract with small businesses can be awarded points. He stated that to reject Standard Parking's proposal and award the contract to the incumbent would destroy the credibility of the Airport and the proposal process.

Board Member Desmond expressed concern regarding the points for experience and worker retention. He stated that he would support a request for a best and final offer.

Board Member Desmond moved to request that the proposers submit a best and final offer. The motion was seconded by Board Member Cox.

In response to Ms. Bowens' request to clarify for the record regarding whether or not Standard Parking's RFP considered cashier staffing, Jana Vargas, Director, Procurement, stated that the proposals asked for a minimum service level of cashiers; she stated that Standard Parking's proposal included relief and valet cashiers in the matrix that was compared in the pro forma and was verified in hours. She stated that adequate staffing was included in their proposal.

Board Member Boland stated that considering all of the information that was provided, there does not appear to be any plausible reason to not accept staff's recommendation.

Board Member Robinson stated he would support the motion to request a best and final offer, and he requested that both proposers show how they would guarantee the proposed cost savings.

Board Member Young commented that he would be willing to support awarding the contract to Ace Parking. He also stated that the Board is part of the RFP process to make a decision and that there is subjectivity in the process.

Board Member Hubbs expressed concern with changing the terms of the RFP at the end. He also expressed concern with the proposed best and final offer process. He spoke of the need to maintain the integrity of the RFP process.

Board Member Smisek expressed his desire to re-bid the contract. He also expressed concern with the evaluation criteria. He stated that there should have been more emphasis on the financial component of the proposals.

Chair Gleason also expressed his desire to re-bid the contract and his concerns with the process in regards to worker retention and cost.

Mr. Lobner clarified that the best and final offer request will state whether it will be considered additional evaluation criteria or replace the scores on the original evaluation criteria. He stated that the criteria must be set prior to receiving proposals. He stated that the evaluation criteria cannot be established after the fact. He stated that with regard to experience and qualifications, plan of operation, financial viability, and worker retention, the Board has the ability to direct staff to review the areas further, and establish whether the point allocations were proper.

Board Member Desmond suggested requesting that Ace Parking and Standard Parking submit a best and final offer to include additional information which the Board will use to make its final decision.

Board Member Cox expressed his desire to not reject all the bids and re-issue the RFP, as the Authority has received two very good proposals. He expressed his support for requesting best and final offers from Ace Parking and Standard Parking. He stated that he wants to get the best possible deal for the Authority.

Board Member Boland stated that he can support the motion if it is asking the proposers to clarify their costs and savings only.

Board Member Desmond clarified that his motion is to ask Ace Parking and Standard Parking to submit a best and final offer, and to ask for clarification regarding their experience and qualifications, plan of operations, and worker retention program.

Board Member Robinson stated that he could support the submission of best and final offers only to consider the financial aspect of each proposal, and not as clarification of the evaluation.

Ms. Bowens expressed concern that, with regard to the operating expenses, the Board is asking the proposers to provide a quote on an item that is entirely within the staff's control to approve or disapprove costs, as well as a quote on items that include many variables.

RECOMMENDATION: Adopt Resolution No. 2011-0103, awarding and authorizing the President/CEO to execute an agreement with Standard Parking Corporation for parking management services, for five (5) years in an amount not to exceed thirty-five million five hundred thousand dollars (\$35,500,000).

ACTION: Moved by Board Member Desmond and seconded by Board Member Cox to direct staff to request that Ace Parking Management, Inc. and Standard Parking Corporation provide a comprehensive best and final offer as an additional evaluation criteria to include clarification on their Experience and Qualifications, Plan of Operation and Worker Retention Program, and to continue the item to the October Board meeting. Motion carried by the following vote: YES – Cox, Desmond, Gleason, Smisek, Young; NO – Boland, Hubbs, Panknin, and Robinson; ABSENT – None. (Weighted Vote Points: YES – 59; NO – 41; ABSENT – 0)

The Board recessed at 11:15 A.M. and reconvened at 11:26 A.M.

11. **GRANT A CONCESSION LEASE TO SPA DIDACUS, INC. (A JOINT VENTURE) FOR DEVELOPMENT AND OPERATION OF RETAIL PACKAGE #5 (CONTINUED FROM THE AUGUST 4, 2011 MEETING):** Nyle Marmion, Manager, Concession Development, Real Estate Management, and Jana Vargas, Director, Procurement provided a presentation, which included Minimum Requirements, Proposers, Retail Concepts presented by each proposer, Financial Offer, Evaluation Panel Rankings, Package Summary, XpresSpa Sales, Financials, and Appeal Response, and Protest Process.

FREDERIC BRIEST, PARIS, FRANCE, spoke in support of staff's recommendation.

TASNEEM VAKHARIA, SAN DIEGO, spoke in support of staff's recommendation.

CHRISTOPHER NEILS, SAN DIEGO, spoke in opposition to staff's recommendation.

MORETON BINN, NEW YORK, spoke in opposition to staff's recommendation.

In response to Chair Gleason regarding projections and the Minimum Annual Guarantee (MAG), Ann Ferraguto, AirProjects, Inc., stated that the rent structure is based on the MAG or a percentage rent, whichever is higher. She added that the MAG is adjusted annually in accordance with the actual rent paid the prior year.

In response to Board Member Panknin's and Board Member Robinson's concern regarding the panel's evaluation of financial health, Ms. Ferraguto stated that the financial condition of each proposer was based on the materials submitted and standard ratios used in the industry.

Board Member Cox expressed his desire for selecting the best proposer with the best revenue to the Authority; and he expressed concern regarding the evaluation process for this package.

RECOMMENDATION: Adopt Resolution No. 2011-0095, awarding a concession lease to Spa Didacus, Inc. for development and operation of Retail Package #5 (as included in the CDP RFP) for a maximum term of nine (9) years and four (4) months, which includes a period not to exceed twenty-eight (28) months to allow for Package Completion, with a first year Minimum Annual Guarantee (MAG) of \$119,000; and authorizing the President/CEO to take all necessary actions to execute the concession lease.

ACTION: Moved by Board Member Desmond and seconded by Board Member Young to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Desmond, Gleason, Hubbs, Panknin, Robinson, Smisek, Young; NO – Cox; ABSENT – None. (Weighted Vote Points: YES – 92; NO – 8; ABSENT – 0)

12. GRANT A CONCESSION LEASE TO MISSION YOGURT, INC. FOR DEVELOPMENT AND OPERATION OF FOOD SERVICE PACKAGE #4 (CONTINUED FROM THE AUGUST 4, 2011 MEETING):

Nyle Marmion, Manager, Concession Development, Real Estate Management, and Jana Vargas, Director, Procurement provided a presentation, which included Minimum Requirements, Proposers, Proposed Concepts presented by each proposer, Financial Offer, Evaluation Panel Rankings for Short List, Final Rankings, Package Summary, and Protest Process.

JOHN LEMMO, SAN DIEGO, spoke in opposition to staff's recommendation.

DIANA CHUH, BONITA, spoke in opposition to staff's recommendation.

ROD TAFOYA spoke in support of staff's recommendation.

In response to Board Member Desmond regarding sales projections and potential income to the Airport, Ann Farraguto, AirProjects, Inc., stated that sales projections themselves were not evaluated because they are projections only; however, instead, the panel reviewed the reasonableness of their overall pro forma.

RECOMMENDATION: Adopt Resolution No. 2011-0100, awarding a concession lease to Mission Yogurt, Inc. for development and operation of Food Service Package #4 (as included in the CDP RFP) for a maximum term of nine (9) years and two (2) months, which includes a period not to exceed twenty-six (26) months to allow for Package Completion, and a first year Minimum Annual Guarantee (MAG) of \$288,200 following Package Completion; and authorizing the President/CEO to take all necessary actions to execute the concession lease.

ACTION: Moved by Board Member Robinson and seconded by Young to approve staff's recommendation. Motion carried by the following vote: YES – Boland, Gleason, Hubbs, Panknin, Robinson, Smisek, Young; NO – Cox, Desmond; ABSENT – None. (Weighted Vote Points: YES – 80; NO – 20; ABSENT – 0)

NEW BUSINESS:

14. **GRANT A CONCESSION LEASE TO HOST INTERNATIONAL, INC. FOR DEVELOPMENT AND OPERATION OF FOOD SERVICE PACKAGE #2R:** Chair Gleason requested that a complete history of ex parte disclosures from previous meetings regarding the concessions program be included in the minutes.

November 4, 2010 Board Meeting

Board Member Cox disclosed *ex-parte* communications with Rick Blatstein and Karen Mirante and Maddy Kilkenny at OTG Management and Stephanie Saathoff of the Clay Company; Neil Johnson and Richard Ledford at Procurement Concepts; Kimberly Hale, representing HDS Retail; and Herman Collins, Silvia Peralta, Bruce Feuer and Dick Dickson of Paradies Shops.

Board Member Boland disclosed *ex-parte* communications with Mr. and Mrs. Johnson, and representatives from OTG Management.

Chair Gleason disclosed *ex-parte* communications with Gil Johnson of Procurement Concepts; Rick Blatstein and Karen Mirante of OTG Management, Stephanie Saathoff and Maddie Kilkenny of the Clay Company; Dominic Lowe and Ellery Plowman of Westfield, Chris Wahl of Southwest Strategies; Mike Mullaney and Laura Alphan of the Hudson Group; Jeff Sailer of HDS Retail and Phillip Pierce of Pierce, Monroe & Associates, and Kimberly Hale of Public Policy Strategies.

Board Member Smisek disclosed *ex-parte* communications with OTG Management.

Board Member Panknin disclosed *ex-parte* communications with Paradies Shops.

Board Member Robinson disclosed *ex-parte* communications with Rick Blatstein of OTG, Maddy Morris and Stephanie Saathoff of the Clay Company; Richard Ledford of Ledford Enterprises and Gil Johnson of Procurement Concepts; Gerry Savaria of HDS Retail and Kimberly Hale of Public Policy Strategies; Lorena Gonzalez of UnionYes and Graham Forbes of Local 30; Laura Alphran and Mike Mullaney of the Hudson Group, Chris Frahm of Brownstein, Hyatt, Farber Schreck; Silvia Peralta, Bruce Feuer and Dick Dickson of The Paradies Shops, Herman Collins of the Collins Group; and Ellery Plowman of Westfield Concession Management, and Christopher Wahl of Southwest Strategies.

December 20, 2010 Special Board and Executive/Finance Committee Meeting

Chair Gleason disclosed *ex-parte* communications with Blake Harwell and Daniel Rottenstreich, Unite Here Local 30, and Lorena Gonzalez of the Labor Council; Javier Vega and Lollie Pitre of Pacific Gateway Concessions; and Mario Trevino of Innovative Strategies.

Board Member Cox disclosed *ex-parte* communications with Lorena Gonzalez of UnionYes; Graham Forbes of Local 30; Winnie Fields; Javier Vega and Lollie Pitre of Pacific Gateway Concessions; Mario Trevino of Innovative Strategies; Laura Alphran of the Hudson Group; Chris Frahm of Brownstein Hyatt Farber Schreck; and Jaimini Erskine of SSP America.

January 6, 2011 Board Meeting

Chair Gleason disclosed *ex-parte* communications with Patrick Carroll and Jaimini Erskine, SSP America, and Kimberly Hale, Public Policy Strategies.

Board Member Desmond disclosed *ex-parte* communications with SSP, HDS, and the Hudson Group.

Board Member Robinson disclosed *ex-parte* communications with SSP representatives.

Board Member Cox disclosed *ex-parte* communications with Mario Trevino, Innovative Strategies; Michael Mullaney, the Hudson Group; Pat Murray, SSP; and Gil Johnson, Procurement Concepts.

JINNA NEWMAN, LEMON GROVE, spoke in support of staff's recommendation.

BRIGETTE BROWNING, SAN DIEGO, spoke in support of staff's recommendation.

KEVIN WESTLYE, LAFAYETTE, LA, spoke in support of staff's recommendation.

DIANA CHUH, BONITA spoke in opposition to staff's recommendation.

Chair Gleason stated that the presentation from staff and discussion by the Board would take place following Closed Session.

CLOSED SESSION: The Board recessed into Closed Session at 12:53 P.M. to discuss Items 19, 21, and 24.

- 19. 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
- 20. 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.
- 21. CONFERENCE WITH REAL PROPERTY NEGOTIATORS:**
Real property negotiations pursuant to Cal. Gov. Code §54956.8:
Property: Consolidated Rental Car Facility located on approximately 17 acres of Authority land south of Pacific Highway and west of the extension of Sassafras Street in San Diego, CA 92103
Agency negotiator: Vernon Evans, Vice President, Finance/Treasurer
Negotiating Parties: DTG Operations, Inc.; Avis Rent A Car System, LLC; Enterprise Rent-A-Car Company of Los Angeles, LLC; Fox Rent A Car, Inc.; The Hertz Corporation; Midway Rent A Car, Inc.; Nevada Lease and Rentals, Inc.; Newport Beach Sales & Leasing, Inc.; Pneuma Enterprises, Inc.; RLZ, Inc; Simply Wheelz, LLC; South CA A1 Car Rental Inc., and other rental car industry representatives.
Under Negotiation: Business terms and conditions related to lease and operating rights within the Consolidated Rental Car Facility. Instructions to negotiator will concern price and terms of payment.

22. **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**
(Government 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).
23. **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
24. **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
25. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**
Initiation of litigation pursuant to subdivision (c) of §54956.9: (1 case)
26. **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]
27. **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

REPORT ON CLOSED SESSION: The Board reconvened at 2:15 P.M.
Breton Lobner, General Counsel, reported that there was no reportable action.

NEW BUSINESS (CONTINUED):

14. **GRANT A CONCESSION LEASE TO HOST INTERNATIONAL, INC. FOR DEVELOPMENT AND OPERATION OF FOOD SERVICE PACKAGE #2R:**
Bob Silvas, Director, Small Business Development stated that the current ACDBE participation for retail and food is at 24 percent.

Board Member Desmond requested more information regarding the percentage of local participation.

Nyle Marmion, Manager, Concession Development, Real Estate Management; and Jana Vargas, Director, Procurement provided a presentation for Items 14-17, which included Supplemental RFP Evaluation Criteria and Submittals, Evaluation Panel Makeup, Recommendations of Award, Minimum Requirements, Proposers, Proposed Concepts, Financial Offer, Evaluation Panel Rankings, and Package Summary for each supplemental food service package.

GREG HAGEN, CARDIFF, spoke in opposition to staff's recommendation.

MICHELLE ROJAS-SIRY, SAN DIEGO, spoke in opposition to staff's recommendation.

JAIMINI ERSKINE, OF SSP, spoke in support of staff's recommendations for Food Packages #3R and #5R.

VANESSA FOX, OF JACK IN THE BOX, spoke in support of staff's recommendation for Food Package #3R.

TOM RYAN, OF RYAN BROTHERS COFFEE, spoke in support of staff's recommendation for Food Package #3R.

ANTHONY ALESSI, OF HMS HOST, spoke in support of staff's recommendation for Food Package #2R.

Board Member Panknin expressed his disappointment with the lack of small packages to attract local businesses. He encouraged staff and representatives from the Diego Concessions Group to meet and for staff to debrief them on why there were not competitive and how they could improve.

Thella F. Bowens, President/CEO, confirmed that staff did size some of the packages to allow smaller groups to propose on them. She stated that although the packages were small, the Authority could not preclude larger companies from submitting proposals. She stated that the Authority cannot guarantee anyone that they will be awarded a contract.

Board Member Panknin left the dais at 3:17 P.M.

RECOMMENDATION: Adopt Resolution No. 2011-0110, awarding a concession lease to Host International, Inc. for development and operation of Food Service Package #2R (as included in the CDP Supplemental RFP as Package #1A) for a maximum term of twelve (12) years and two (2) months which includes a period not to exceed twenty-six (26) months to allow for package construction completion, with a first year Minimum Annual Guarantee (MAG) of \$964,000; and authorizing the President/CEO to take all necessary actions to execute the concession lease.

ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

15. **GRANT A CONCESSION LEASE TO SSP AMERICA, INC. FOR DEVELOPMENT AND OPERATION OF FOOD SERVICE PACKAGE #3R:**
RECOMMENDATION: Adopt Resolution No. 2011-0111, awarding a concession lease to SSP America, Inc. for development and operation of Food Service Package #3R (as included in the CDP Supplemental RFP as Package #2A) for a maximum term of twelve (12) years and two (2) months which includes a period not to exceed twenty-six (26) months to allow for package construction completion, with a first year Minimum Annual Guarantee (MAG) of \$666,765; and authorizing the President/CEO to take all necessary actions to execute the concession lease.

ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

16. **GRANT A CONCESSION LEASE TO SSP AMERICA, INC. FOR DEVELOPMENT AND OPERATION OF FOOD SERVICE PACKAGE #5R:**
RECOMMENDATION: Adopt Resolution No. 2011-0112, awarding a concession lease to SSP America, Inc. for development and operation of Food Service Package #5R (as included in the CDP Supplemental RFP as Package #3A) for a maximum term of twelve (12) years and two (2) months which includes a period not to exceed twenty-six (26) months to allow for package construction completion, with a first year Minimum Annual Guarantee (MAG) of \$527,840; and authorizing the President/CEO to take all necessary actions to execute the concession lease.

ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

17. **GRANT A CONCESSION LEASE TO HIGH FLYING FOODS SAN DIEGO PARTNERSHIP (A JOINT VENTURE) FOR DEVELOPMENT AND OPERATION OF FOOD SERVICE PACKAGE #6R:**
RECOMMENDATION: Adopt Resolution No. 2011-0113, awarding a concession lease to High Flying Foods San Diego Partnership for development and operation of Food Service Package #6R (as included in the CDP Supplemental RFP as Package #4A) for a maximum term of twelve (12) years and two (2) months which includes a period not to exceed twenty-six (26) months to allow for package construction completion, with a first year Minimum Annual Guarantee (MAG) of \$903,192; and authorizing the President/CEO to take all necessary actions to execute the concession lease.

ACTION: Moved by Board Member Robinson and seconded by Board Member Desmond to approve staff's recommendation. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

The Board recessed at 3:25 P.M. and reconvened at 3:32 P.M.

PUBLIC HEARINGS:

9. **CERTIFY FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT AND ADOPT FINDINGS OF FACT FOR THE SAN DIEGO INTERNATIONAL AIRPORT MASTER PLAN NORTHSIDE IMPROVEMENTS:**

Ted Anasis, Manager, Regional Planning, provided a presentation, which included an overview of the Northside improvements, environmental review process, comments received, comment topics, intermodal transit center, and next steps.

RECOMMENDATION: Adopt Resolution No. 2011-0114, certifying the Final Supplemental Environmental Impact Report and adopting Findings of Fact prepared in accordance with the California Environmental Quality Act (CEQA) for the San Diego International Airport Master Plan Northside Improvements.

ACTION: Moved by Board Member Cox and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

NEW BUSINESS (CONTINUED):

13. SEPTEMBER 2011 LEGISLATIVE REPORT AND UPDATE FROM LEGISLATIVE CONSULTANTS:

Richard Costigan, of Manatt, Phelps & Phillips, provided a presentation regarding state legislative updates.

Sam Whitehorn, of McBee Strategic Consulting, provided a presentation regarding federal legislative updates.

Board Member Young requested a report on state budget issues that may impact airport planning efforts.

RECOMMENDATION: Adopt Resolution No. 2011-0109, approving the September 2011 Legislative Report.

ACTION: Moved by Board Member Young and seconded by Board Member Desmond to approve staff's recommendation. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH LEIGH FISHER & ASSOCIATES FOR PREPARATION OF THE SDIA AIRPORT DEVELOPMENT PLAN (ADP):

Angela Jamison, Manager, Airport Planning, provided a presentation, which included recent planning efforts, environmental documents, Northside Plan, 2009 Destination Lindbergh, FAA involvement, selection process, study elements, and schedule and budget.

RECOMMENDATION: Adopt Resolution No. 2011-0115, approving and authorizing the President/CEO to execute an agreement with Leigh Fisher & Associates to perform an Airport Development Plan (ADP) study, for a term of four (4) years, in an amount not to exceed six million five hundred thousand dollars (\$6,500,000).

ACTION: Moved by Board Member Boland and seconded by Board Member Robinson to approve staff's recommendation. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

RECONSIDERATION OF CONSENT AGENDA ITEM:

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.

Motion #1

ACTION: Moved by Board Member Gleason and seconded by Board Member Boland to reconsider Item 2 to add additional reports. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

Motion #2

ACTION: Moved by Board Member Robinson and seconded by Board Member Smisek to approve the Item 2 as amended, by adding reports submitted by Board Members Hubbs and Young. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek, Young; NOES: None; ABSENT: Panknin. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)

PRESENTATIONS:

A. FACILITY MANAGEMENT LIFE CYCLE PROGRAM UPDATE:

Wayne Harvey, Director, Facilities Management, provided a presentation, which included water reduction, electrical reduction, carbon reduction, LEED certification, and financial impact.

B. FINANCIAL UPDATE FOR THE YEAR ENDED JUNE 30, 2011:

Vernon Evans, Vice President, Finance/Treasurer; and Kathy Kiefer, Director, Accounting, provided a presentation, which included a financial update on the unemployment rate, GDP, consumer confidence; and the financial statements including enplanements, and operating and non-operating revenues and expenses.

Board Member Young left the dais at 4:30 P.M.

ITEM(S) PULLED FROM THE CONSENT AGENDA FOR DISCUSSION:

5. **RECEIVE THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.

6. **RECEIVE THE AUTHORITY'S INVESTMENT REPORT AS OF JUNE 30, 2011:**
RECOMMENDATION: The Finance Committee recommends that the Board receive the report.

ACTION: Moved by Board Member Smisek and seconded by Board Member Boland to approve staff's recommendation for Items 5 and 6. Motion carried by the following vote: AYES: Boland, Cox, Desmond, Gleason, Hubbs, Robinson, Smisek; NOES: None; ABSENT: Panknin, Young. (Weighted Vote Points: YES – 79; NO – 0; ABSENT – 21)

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

STANDING BOARD COMMITTEES

- **AUDIT COMMITTEE:**
Board Member Smisek reported that the Committee has completed its public member interviews and has selected Andrew Hollingworth, and honored Committee Member Ken Buck for his service on the committee. He also announced that Board Member Hubbs was appointed to the Committee as Vice Chair.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:** None.
- **FINANCE COMMITTEE:** None.
- **TERMINAL DEVELOPMENT PROGRAM COMMITTEE:**
Board Member Boland reported that the Terminal Development Program continues to move along on schedule and on budget.

ADVISORY COMMITTEES

- **AUTHORITY ADVISORY COMMITTEE:** None.
- **PUBLIC ART ADVISORY COMMITTEE:** None.

LIAISONS

- **AIRPORT LAND USE COMPATIBILITY PLAN FOR SAN DIEGO INTERNATIONAL AIRPORT:**
Board Member Robinson reported that the steering committee has been rescheduled to September 29.
- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**
Board Member Cox reported that the state legislature will adjourn for the year on September 9, and that Congress will return on September 6. He reported that staff gave briefings and provided airfield tours to Congresswoman Susan Davis' staff and Congressman Brian Bilbray's staff. He announced that staff reinforced with Congressman Duncan Hunter and Senator Diane Feinstein the importance of the final passage of the FAA reauthorization bill. He also reported that Authority representatives will participate in the San Diego Regional Chamber of Commerce's delegation mission to Washington, D.C.
- **MILITARY AFFAIRS:** None.
- **PORT:**
Chair Gleason reported that Authority staff and Port staff will meet to discuss the Harbor Police issue.

BOARD REPRESENTATIVES (EXTERNAL)

- **SANDAG TRANSPORTATION COMMITTEE:** None.
- **WORLD TRADE CENTER:** None.

CHAIR'S REPORT:

Chair Gleason reminded everybody that the Board retreat will take place September 23. He announced that the inaugural flight for Spirit Airlines will be next week. He also reminded everybody that the ex parte rules still apply with regard to the parking management contract. He encouraged all to participate in the upcoming 9/11 remembrance event and the Airports Council International - North America conference.

PRESIDENT/CEO'S REPORT:

Thella F. Bowens, President/CEO encouraged everybody to participate in the Spirit Airlines kickoff next week. She spoke of the certification of the Boeing 787 Dreamliner, which has implications for San Diego due to its innovative design and that it will allow SDIA to attract international service. She reported that Board Member Panknin attended an Metropolitan Transit System taxicab advisory subcommittee meeting where the subcommittee discussed the flag-drop fee and voted to move it ahead to the advisory committee.

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:

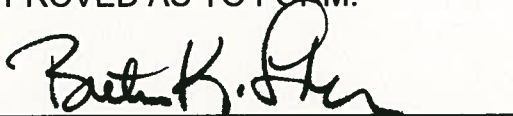
ADJOURNMENT: The meeting was adjourned at 4:42 P.M.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 6TH DAY OF OCTOBER, 2011.



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:



BRETON K. LOBNER
GENERAL COUNSEL