

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY
TERMINAL DEVELOPMENT PROGRAM COMMITTEE MINUTES
FRIDAY, MARCH 27, 2009
SAN DIEGO INTERNATIONAL AIRPORT
BOARD ROOM**

CALL TO ORDER

Chairperson Boland called the regular meeting of the Terminal Development Program Committee and Special Board Meeting to order at 9:00 a.m., Friday, March 27, 2009 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 Watkins led the Pledge of Allegiance.

ROLL CALL

Present: Committee Members: Boland, Miller (Public Member), Orso-Delgado (Ex-Officio), Panknin
Board Members: Bersin, Smisek, Watkins, Young

Absent: Committee Members: Finnila, Sheehy (Ex-Officio)

Also Present: Jeffrey Woodson, Vice President, Administration; Amy Gonzalez, Director, Counsel Services; Tony Russell, Director, Corporate Services/ Authority Clerk; Sara Real, Assistant Authority Clerk I

PUBLIC COMMENT

SUHAIL KHALIL, POINT LOMA, Peninsula Community Planning Board, spoke regarding public outreach for the Terminal Development Program. He also stated that he would like to understand the process and the impacts the project will have on the community.

WORKSHOP - NEW BUSINESS

1. DISCUSSION REGARDING THE MISSION OF THE TERMINAL DEVELOPMENT PROGRAM COMMITTEE:

Chairperson Boland welcomed everyone to the first meeting of the Terminal Development Program Committee. He stated that the Committee is designed to help the Board formulate policy and direction for the program.

2. ACCEPTANCE OF THE COMMITTEE'S 2009 SCHEDULE OF MEETINGS:

Bryan Enarson, Vice President, Development, provided an overview of the Committee's 2009 schedule of meetings. He stated that meetings would be held quarterly in June, September and December, and that the Committee could call special meetings when needed. He stated that specific dates have not yet been set.

Board Member Orso-Delgado requested that meetings not be scheduled on Friday's because of conflicts with SANDAG meetings.

Tony R. Russell, Director, Corporate Services/Authority Clerk, reminded the Committee that the administration of the meetings must comply with the Brown Act, and requested that his office be informed of the meeting dates as soon as possible.

3. PLANNING - APPROVED MASTER PLAN:

Keith Wilschetz, Director, Planning, provided a presentation on the Approved Master Plan, which included Meeting Schedule; Airport Master Plan; Previous Passenger Forecast vs. Updated Forecast; SDIA Gate Requirements to 2015; and Land Use Plan: Ground Transportation Uses.

4. IMPLEMENTATION - TERMINAL DEVELOPMENT PROGRAM:

Steve Cornell, Director, Terminal Development Program, provided a presentation on the Implementation of the Terminal Development Program, which included the Purpose; Program Elements; Framing the Design Approach; Program Definition Considerations; Past Actions; Programmatic Document – Stakeholder Engagement; Flexibility; Market-Based Flexibility; Layout Plans; and Program Cost Summary.

Constance White, Art Program Manager, provided a presentation on Public Art, which included the Public Art Experience; Multisensory Journey; Suspended Artwork; Glass Elevators – Concession Core; and the Implementation Plan.

In response to Board Member Watkins regarding reviewing the North Embarcadero art plan, Ms. White stated that she is a member of the City of San Diego Public Art Committee and is very familiar with their approach and vision.

In response to Board Member Watkins regarding the possibility of eliminating the pillars in the proposed terminal design, Mr. Cornell stated that options that allow completely open space will be reviewed with the architects, but stretching the trusses greatly increases the cost of the facility.

Board Member Young arrived at 10:05 a.m.

In response to Board Member Miller regarding when the three conceptual designs will come to the Board for approval, Mr. Cornell stated that the concepts and conceptual designs will be presented at the July Board meeting.

In response to Board Member Boland regarding the legal negotiations for the first contract, Amy Gonzalez, Director, Counsel Services, stated that the contract is fair and the Authority is protected.

The Committee recessed at 10:12 a.m. and resumed at 10:25 a.m.

5. FINANCING - PROGRAM'S FINANCIAL PLAN:

Vernon Evans, Vice President, Finance/Treasurer, provided a presentation on the Program's Financial Plan, which included Assumptions; Use of Funds – Scenario 1; Source of Funds – Scenario 1; Cumulative Sources of Funds from Inception – 2013; Financial Results – Scenario 1; Financial Results – Scenario 2; Summary of Scenarios of Financial Results – 2013; and Airport Cost per EPAX Projected 2013.

In response to Board Member Watkins regarding opportunities to accelerate construction because of the economic climate, Bryan Enarson, Vice President, Development, stated that the team is taking advantage wherever possible. He further stated that using design-build allows the process to be sped up.

Board Member Young expressed concern regarding financing costs; more specifically, the Deposits to the Capitalized Interest Fund and Deposits to the Bond Reserve Fund, and whether or not they are true expenses, or if the money will be refunded.

Board Member Bersin concurred, stating that there is a public interpretation and understanding of project costs. He stated that issuance costs should be distinguished from reserve funds. He suggested that another accounting category be created to cover the reserves. He also suggested that there be a very thorough separate accounting for the Terminal Development Program.

Chairperson Boland requested that the cost of the Terminal Development Program be separated from the costs of the Capital Improvement Program. He stated that it is very important that it be clear to the public.

6. COMMUNITY - PUBLIC OUTREACH:

Diana Lucero, Director, Public, Community and Customer Relations, and Brenda Deely, Sr. Vice President, Porter Novelli, provided a presentation on Community – Public Outreach, which included TDP Public Outreach, such as Media Relations and Airport Traveler Alerts; and TDP Groundbreaking Event.

Board Member Watkins stated that it would help to provide clarity on the mission and timing and a simplification of the terms. He also suggested language that the Terminal Development Program is separate from Destination Lindbergh.

Board Member Bersin urged staff to find the correct language to convey the differences in the Terminal Development Program and Destination Lindbergh. He suggested that the language be presented to the Board for review.

Board Member Panknin stated that the key message should be that we are improving the airport, and the airlines are on board.

Board Member Young suggested using the angle of job opportunities during this difficult economic time.

Chairperson Boland provided an overview of the next steps, including that staff recommends that the Committee recommend to the Board to approve two contracts – the design for the airside, and the design for the landside.

Board Member Bersin noted that an overview of the contracts is needed at the Board meeting, prior to any action taken.

In response to Board Member Young regarding equal opportunities for veterans, woman-owned, minority-owned and small businesses, Steve Cornell, Director, Terminal Development Program, stated that those opportunities are specifically required in the contract.

Bob Silvas, Director, Small Business Development, stated that each contractor will have an outreach consultant assigned to them.

In response to Board Member Young regarding the role of the Small Business Development department, Mr. Silvas stated that their role is oversight to ensure full coverage. He stated that he is working with the design team leads.

In response to Board Member Bersin regarding project labor agreements, Mr. Cornell stated that the contracts are intentionally structured to allow a lot of flexibility.

In response to Chairperson Boland regarding change orders, Mr. Cornell stated that the design-build contract delivery method covers the Authority in terms of errors and omissions. He stated that under this method, if a mistake is made by the contractor, the firm will cover the expense of the correction. He stated that an owner's contingency is maintained as well for prudent changes.

Amy Gonzalez, Director, Counsel Services, noted that the agreement has a very specific procedure for making changes, and there is an entire article on dispute resolution and how that will interplay with the change order provision.

In response to Committee Member Miller regarding the two teams selected, Mr. Cornell stated that Contract 1 is a tri-venture of Turner Construction, PCL, and FCI, and their principle consultant is HNTB. He stated that Contract 2 is a joint venture of Kiweit and Sundt, and their principle consultant is URS.

In response to Chairperson Boland regarding understanding project labor agreements, Breton Lobner, General Counsel, stated that an expert is being sought to provide an educational workshop to the Board.

Board Member Watkins noted that on May 3, 2009, the Labor Council, Lincoln Club and EDC will be having a workshop on project labor agreements. He stated that it might be beneficial to buy a table at the workshop and have some Board members attend to get some additional education on this topic.

Chairperson Boland stated that the Authority Clerk's Office would set the future meeting dates. He further stated that a groundbreaking date is needed for planning.

Board Member Bersin suggested that the Terminal Development Committee consider language that the Terminal Development Program is separate from Destination Lindbergh.

ACTION: Moved by Chairperson Boland and seconded by Board Member Panknin to recommend that the Board approve the two design-build contracts and approval of design-phase services task authorizations for Contract 1 (\$14M) and Contract 2 (\$11M), and approval of design-phase funding (\$25M). Motion carried unanimously, noting Board Member Finnilla as ABSENT.

ACTION: Moved by Board Member Panknin and seconded by Chairperson Boland to recommend that the Board approve the commission of the recommended artists for the Terminal Development Program. Motion carried unanimously, noting Board Member Finnila as ABSENT.

COMMITTEE MEMBER COMMENTS


ADJOURNMENT

The meeting adjourned at 11:58 a.m.

APPROVED BY A MOTION OF THE TERMINAL DEVELOPMENT PROGRAM
COMMITTEE THIS 24th DAY OF JUNE, 2009.



BRYAN ENARSON
VICE PRESIDENT, DEVELOPMENT



TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK