

# SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY

## Board Members

Robert H. Gleason  
Board Chair

David Alvarez  
C. April Boling  
Greg Cox

Jim Desmond  
Lloyd B. Hubbs  
Jim Janney

Paul Robinson  
Mary Sessom

## **BOARD**

## **AGENDA**

Thursday, October 15, 2015  
9:00 A.M.

San Diego International Airport  
SDCRAA Administration Building – Third Floor  
(formerly Commuter Terminal)  
Board Room  
3225 N. Harbor Drive  
San Diego, California 92101

## Ex-Officio Board Members

Laurie Berman  
Eraina Ortega  
Col. Jason G. Woodworth

## President / CEO

Thella F. Bowens

***Live webcasts of Authority Board meetings can be accessed at  
<http://www.san.org/Airport-Authority/Meetings-Agendas?EntryId=1954>***

This Agenda contains a brief general description of each item to be considered. The indication of a recommended action does not indicate what action (if any) may be taken. ***Please note that agenda items may be taken out of order.*** If comments are made to the Board without prior notice or are not listed on the Agenda, no specific answers or responses should be expected at this meeting pursuant to State law.

Staff Reports and documentation relating to each item of business on the Agenda are on file in Corporate & Information Governance and are available for public inspection.

**NOTE:** Pursuant to Authority Code Section 2.15, all Lobbyists shall register as an Authority Lobbyist with the Authority Clerk within ten (10) days of qualifying as a lobbyist. A qualifying lobbyist is any individual who receives \$100 or more in any calendar month to lobby any Board Member or employee of the Authority for the purpose of influencing any action of the Authority. To obtain Lobbyist Registration Statement Forms, contact the Corporate & Information Governance/Authority Clerk Department.

**PLEASE COMPLETE A "REQUEST TO SPEAK" FORM PRIOR TO THE COMMENCEMENT OF THE MEETING AND SUBMIT IT TO THE AUTHORITY CLERK. *PLEASE REVIEW THE POLICY FOR PUBLIC PARTICIPATION IN BOARD AND BOARD COMMITTEE MEETINGS (PUBLIC COMMENT) LOCATED AT THE END OF THE AGENDA.***

*The Authority has identified a local company to provide oral interpreter and translation services for public meetings. If you require oral interpreter or translation services, please telephone the Corporate & Information Governance/Authority Clerk Department with your request at (619) 400-2400 at least three (3) working days prior to the meeting.*

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**CALL TO ORDER:**

**PLEDGE OF ALLEGIANCE:**

**ROLL CALL:**

**PRESENTATION:**

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

***STANDING BOARD COMMITTEES***

• **AUDIT COMMITTEE:**

Committee Members: Gleason, Hollingworth, Hubbs (Vice Chair), Robinson (Chair), Sessom, Tartre, Van Sambeek

• **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**

Committee Members: Alvarez (Vice Chair), Boling, Gleason, Hubbs (Chair), Robinson

• **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**

Committee Members: Cox, Desmond (Chair), Hubbs, Janney, Sessom (Vice Chair)

• **FINANCE COMMITTEE:**

Committee Members: Alvarez, Boling (Chair), Cox (Vice Chair), Janney, Sessom

***ADVISORY COMMITTEES***

• **AUTHORITY ADVISORY COMMITTEE:**

Liaison: Robinson (Primary), Boling

• **ART ADVISORY COMMITTEE:**

Committee Member: Gleason

***LIAISONS***

• **AIRPORT LAND USE COMPATIBILITY PLAN:**

Liaison: Janney

• **CALTRANS:**

Liaison: Berman

• **INTER-GOVERNMENTAL AFFAIRS:**

Liaison: Cox

- **MILITARY AFFAIRS:**  
Liaison: Woodworth
  
- **PORT:**  
Liaisons: Cox, Gleason (Primary), Robinson
  
- **WORLD TRADE CENTER:**  
Representatives: Alvarez, Gleason (Primary)

***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Representatives: Alvarez (Primary), Hubbs

**CHAIR'S REPORT:**

**PRESIDENT/CEO'S REPORT:**

**NON-AGENDA PUBLIC COMMENT:**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

**CONSENT AGENDA (Items 1-12):**

The consent agenda contains items that are routine in nature and non-controversial. Some items may be referred by a standing Board Committee or approved as part of the budget process. The matters listed under 'Consent Agenda' may be approved by one motion. Any Board Member may remove an item for separate consideration. Items so removed will be heard before the scheduled New Business Items, unless otherwise directed by the Chair.

**1. APPROVAL OF MINUTES:**

The Board is requested to approve minutes of prior Board meetings.

RECOMMENDATION: Approve the minutes of the September 17, 2015, regular 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:**

The Board is requested to accept the reports.

RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.

**(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)**

**3. AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM AUGUST 24, 2015, THROUGH SEPTEMBER 20, 2015 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM AUGUST 24, 2015 THROUGH SEPTEMBER 20, 2015:**

The Board is requested to receive the report.

RECOMMENDATION: Receive the report.

**(Procurement: Jana Vargas, Director)**

**4. OCTOBER 2015 LEGISLATIVE REPORT:**

The Board is requested to approve the report.

RECOMMENDATION: Adopt Resolution No. 2015-0104, approving the October 2015 Legislative Report.

**(Inter-Governmental Relations: Michael Kulis, Director)**

**5. APPROVE ESTABLISHING THE DATE AND TIME OF BOARD AND ALUC MEETINGS FOR 2016, AS INDICATED IN THE PROPOSED 2016 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS:**

The Board is requested to approve the 2016 meeting dates.

RECOMMENDATION: Adopt Resolution No. 2015-0105, establishing the date and time of Board and ALUC meetings for 2016 as indicated on the proposed 2016 Master Calendar of Board and Committee Meetings.

**(Corporate & Information Governance: Tony Russell, Director/Authority Clerk)**

***CLAIMS***

**6. REJECT THE CLAIM OF MARIA ALMIRANTE:**

The Board is requested to reject a claim.

RECOMMENDATION: Adopt Resolution No. 2015-0106, rejecting the claim of Maria Almirante.

**(Legal: Breton Lobner, General Counsel)**

***COMMITTEE RECOMMENDATIONS***

***CONTRACTS AND AGREEMENTS***

**7. APPROVE AND AUTHORIZE AN INCREASE TO THE CONTRACT DURATION FOR THE TERMINAL LINK ROAD PROJECT AT SAN DIEGO INTERNATIONAL AIRPORT:**

The Board is requested to approve an increase in the contract duration.

RECOMMENDATION: Adopt Resolution No. 2015-0107, approving and authorizing an increase to the contract duration from 450 days to 510 days, for Project No. 104134, Terminal Link Road at San Diego International Airport.

**(Airport Planning & Noise Mitigation: Keith Wilschetz, Director)**

**8. AWARD A CONTRACT TO FORDYCE CONSTRUCTION, INC. FOR INTERIM WASTE STORAGE FACILITY AT SAN DIEGO INTERNATIONAL AIRPORT:**

The Board is requested to award a contract.

RECOMMENDATION: Adopt Resolution No. 2015-0108, awarding a contract to Fordyce Construction, Inc. in the amount of \$156,822.00 for Project No. 104192, Interim Waste Storage Facility at San Diego International Airport.

**(Facilities Development: Iraj Ghaemi, Director)**

**9. AUTHORIZE THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH POLSINELLI LLP FOR BOND DISCLOSURE LEGAL SERVICES:**

The Board is requested to execute an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0109, authorizing the President/CEO to negotiate and execute an agreement with Polsinelli LLP for bond disclosure legal services for a term of three years with two one-year options to renew and a not to exceed amount of \$300,000.

**(Legal: Breton Lobner, General Counsel)**

**10. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AMENDMENTS TO THE CONCESSION LEASES BETWEEN HG-CV-EPICURE-MARTINEZ SAN DIEGO JV AND THE AUTHORITY:**

The Board is requested to execute the amendments.

RECOMMENDATION: Adopt Resolution No. 2015-0110, related to Lease-Package 2, and Resolution No. 2015-0111, related to Lease-Package 7 approving and authorizing the President/CEO to, respectively,; 1) execute an amendment to the Concession Lease between HG-CV-Epicure-Martinez JV and the Authority to remove concession locations, add additional concession locations, require additional capital investment and extend the term of the Lease; and 2) execute an amendment to the Concession Lease between HG-CV-Epicure-Martinez JV and the Authority to extend the term of the Lease.

**(Real Property and Concessions: Eric R. Podnieks, Program Manager)**

**11. AUTHORIZE THE PRESIDENT/CEO TO CONSENT TO A RENTAL CAR CONCESSION INDUSTRY AGREEMENT AND CORRESPONDING THIRD-PARTY OPERATIONS AND MAINTENANCE AGREEMENT FOR ONGOING OPERATING AND MAINTENANCE RESPONSIBILITIES FOR THE RENTAL CAR CENTER:**

The Board is requested to authorize the consent to an agreement.

RECOMMENDATION: Adopt Resolution No. 2015-0112, and Resolution No. 2015-0113, respectively authorizing the President/CEO to: 1) negotiate and execute a consent to a third-party operations and maintenance agreement between the on-airport rental car companies and CONRAC Solutions LLC for ongoing operations and maintenance responsibilities for the rental car center facility; and 2) negotiate and execute a consent to a rental car concession industry agreement to address operating and maintenance responsibilities among the on-airport rental car companies

**(Real Property and Concessions: Eric R. Podnieks, Program Manager)**

**12. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH NOSSAMAN LLP, FOR STATE LEGISLATIVE CONSULTING SERVICES:**

The Board is requested to approve a contract.

RECOMMENDATION: Adopt Resolution No. 2015-0115, approving and authorizing the President/CEO to execute an agreement with Nossaman LLP, for State Legislative Consulting Services in an amount not-to-exceed \$723,000 for a term of three years, with two one-year extensions, exercisable at the exclusive option of the President/CEO.

**(Inter-Governmental Relations: Michael Kulis, Director)**

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

**PUBLIC HEARINGS:**

**OLD BUSINESS:**

**NEW BUSINESS:**

**CLOSED SESSION:**

**13. 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: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.

Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.

Under Negotiation: Sale – terms and conditions.

**14. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,  
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL

**15. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,  
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC

**16. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a) and (d)(1).)

Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority  
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)

**17. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a) and (d)(1).)

Joan M. Ward v. San Diego County Regional Airport Authority, et al  
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL

**18. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code § 54956.9(a)):

Maria Paula Bermudez v. San Diego County Regional Airport Authority, American Airlines, Inc., et al.

San Diego Superior Court Case No. 37-2015-00022911-CU-PO-CTL.

**19. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**

(Cal. Gov. Code §54956.9(a) and (d)(1))

Stanley Moore v. San Diego County Regional Airport Authority, et al  
San Diego Superior Court Case No. 37-2015-00030676-CU-OE-CTL

**20. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)

Jay A. Bass, et al/v. San Diego City Employees' Retirement System, et al.,  
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL

**21. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)

Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.  
Number of potential cases: 1

**22. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**

(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)

Number of cases: 2

**REPORT ON CLOSED SESSION:**



**NON-AGENDA PUBLIC COMMENT:**

Non-Agenda Public Comment is reserved for members of the public wishing to address the Board on matters for which another opportunity to speak **is not provided on the Agenda**, and which is within the jurisdiction of the Board. Please submit a completed speaker slip to the Authority Clerk. ***Each individual speaker is limited to three (3) minutes. Applicants, groups and jurisdictions referring items to the Board for action are limited to five (5) minutes.***

**Note:** Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board.

**GENERAL COUNSEL REPORT:**

**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:**

**Policy for Public Participation in Board, Airport Land Use Commission (ALUC), and Committee Meetings (Public Comment)**

- 1) Persons wishing to address the Board, ALUC, and Committees shall complete a "Request to Speak" form prior to the initiation of the portion of the agenda containing the item to be addressed (e.g., Public Comment and General Items). Failure to complete a form shall not preclude testimony, if permission to address the Board is granted by the Chair.
- 2) The Public Comment Section at the beginning of the agenda is limited to eighteen (18) minutes and is reserved for persons wishing to address the Board, ALUC, and Committees on any matter for which another opportunity to speak is not provided on the Agenda, and on matters that are within the jurisdiction of the Board. A second Public Comment period is reserved for general public comment later in the meeting for those who could not be heard during the first Public Comment period.
- 3) Persons wishing to speak on specific items listed on the agenda will be afforded an opportunity to speak during the presentation of individual items. Persons wishing to speak on specific items should reserve their comments until the specific item is taken up by the Board, ALUC and Committees. Public comment on specific items is limited to twenty (20) minutes – ten (10) minutes for those in favor and ten (10) minutes for those in opposition of an item. Each individual speaker will be allowed three (3) minutes, and applicants and groups will be allowed five (5) minutes.
- 4) If many persons have indicated a desire to address the Board, ALUC and Committees on the same issue, then the Chair may suggest that these persons consolidate their respective testimonies. Testimony by members of the public on any item shall be limited to **three (3) minutes per individual speaker and five (5) minutes for applicants, groups and referring jurisdictions.**
- 5) Pursuant to Authority Policy 1.33 (8), recognized groups must register with the Authority Clerk prior to the meeting.
- 6) After a public hearing or the public comment portion of the meeting has been closed, no person shall address the Board, ALUC, and Committees without first obtaining permission to do so.

**Additional Meeting Information**

**NOTE:** This information is available in alternative formats upon request. To request an Agenda in an alternative format, or to request a sign language or oral interpreter, or an Assistive Listening Device (ALD) for the meeting, please telephone the Authority Clerk's Office at (619) 400-2400 at least three (3) working days prior to the meeting to ensure availability.

For your convenience, the agenda is also available to you on our website at [www.san.org](http://www.san.org).

**For those planning to attend the Board meeting, parking is available in the public parking lot located directly in front of the Commuter Terminal. Bring your ticket to the third floor receptionist for validation.**

**You may also reach the Commuter Terminal by using public transit via the San Diego MTS System, Route 992. The MTS bus stop at Terminal 1 is a very short walking distance from the Commuter Terminal. ADA paratransit operations will continue to serve the Commuter Terminal as required by Federal regulation. For MTS route, fare and paratransit information, please call the San Diego MTS at (619) 233-3004 or 511. For other Airport related ground transportation questions, please call (619) 400-2685.**

**UPCOMING MEETING SCHEDULE**

<i>Date</i>	<i>Day</i>	<i>Time</i>	<i>Meeting Type</i>	<i>Location</i>
November 19	Thursday	9:00 a.m.	Regular	Board Room
December 17	Thursday	9:00 a.m.	Regular	Board Room

**DRAFT**  
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD**  
**MINUTES**  
**THURSDAY, SEPTEMBER 17, 2015**  
**SAN DIEGO INTERNATIONAL AIRPORT**  
**BOARD ROOM**

**CALL TO ORDER:** Chair Gleason called the regular meeting of the San Diego County Regional Airport Authority Board to order at 9:08 a.m. on Thursday, September 17, 2015, 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 Woodworth led the Pledge of Allegiance.

**ROLL CALL:**

PRESENT: Board Members: Alvarez, Boling, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom, Woodworth (Ex Officio)

ABSENT: Board Members: Cox, Berman (Ex Officio), Ortega (Ex Officio)

ALSO PRESENT: Thella F. Bowens, President/CEO; Amy Gonzalez, Senior Director, General Counsel; Tony R. Russell, Director, Corporate and Information Governance/Authority Clerk; Lorraine Bennett, Assistant Authority Clerk II

Chair Gleason recognized and thanked Colonel Farnam for his service on the Authority Board.

*Board Member Sessom arrived at 9:17 a.m.*

**PRESENTATION:**

**A. REVIEW OF THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015:**

Scott Brickner, Vice President, Finance & Asset Management/Treasurer, provided a presentation on the Review of the Unaudited Financial Statements for the Year Ended June 30, 2015, which included Key Performance Indicators, Days Cash on Hand, Cost per Enplanement, Debt Service Coverage, Enplanements, Airport Operations (Takeoffs and Landings), Operating Revenues (Unaudited), Operating Expenses (Unaudited), Non-operating Revenue and Expenses (Unaudited), Financial Summary, Statement of Net Position (Unaudited), Authority Assets Fiscal Years Ended June 30, Authority Liability Fiscal Years Ended June 30, and Change in Authority Net Position Fiscal Years Ended June 30.

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

***STANDING BOARD COMMITTEES***

- **AUDIT COMMITTEE:**  
Board Member Robinson noted that Items 13, 14 and 15 are on the agenda for Board acceptance.
- **CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE:**  
Board Member Hubbs announced that the next Committee meeting is scheduled on October 22, 2015.
- **EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE:**  
Board Member Desmond noted that Item 16 is on the agenda for Board approval.
- **FINANCE COMMITTEE:** None.

***ADVISORY COMMITTEES***

- **AUTHORITY ADVISORY COMMITTEE:**  
Chair Gleason announced that Item 6 is on the agenda for Board approval.
- **ART ADVISORY COMMITTEE:**  
Chair Gleason reported that next year's theme for the Temporary and changing exhibitions is "Point of Entry", and installations will commence in December. He also reported that a call for entries is out for the performing arts residency project. He announced that in collaboration with ArtPower UC San Diego, a performance by musician Brian Eno will be held on October 27<sup>th</sup> in Terminal 2 West. He reported that public outreach is ongoing regarding the Rental Car Center third art opportunity. He reported that recommended artists for the Palm Street Park Project will be presented to the Art Advisory Committee at its next meeting in October. He noted that Item 17 is on the agenda for Board approval.

***LIAISONS***

- **AIRPORT LAND USE COMPATIBILITY PLAN:**  
Board Member Janney reported that staff will meet with the City of Coronado next week concerning the Land Use Plans for Imperial Beach and North Island.

- **CALTRANS:** None.
- **INTER-GOVERNMENTAL AFFAIRS:**  
Michael Kulis, Director, Inter-Governmental Relations, reported that the current authorizations for Federal Aviation Administration (FAA) programs are set to expire on September 30<sup>th</sup>. He also reported that because the introduction of a new FAA Reauthorization bill is not expected until next month, there is a need for Congress to extend current authorizations beyond September to continue funding for FAA programs. He reported that on September 15<sup>th</sup>, Board Member Janney provided an airport update to the Coronado City Council. He reported that Airport Authority representatives will be participating in the Chamber of Commerce's annual mission to Washington, DC on September 27-30<sup>th</sup>.
- **MILITARY AFFAIRS:**  
Board Member Woodworth announced the upcoming Fleet Week event, and the Miramar Air Show in October.
- **PORT:**  
Chair Gleason reported that Authority staff provided a presentation to the Board of Port Commissioners on the Airport Development Plan, and will be addressing items of mutual concern during the Chamber of Commerce event in Washington DC.
- **WORLD TRADE CENTER:**  
Chair Gleason reported that a meeting between the license holders for the World Trade Center is being planned for October.

#### ***BOARD REPRESENTATIVES (EXTERNAL)***

- **SANDAG TRANSPORTATION COMMITTEE:**  
Board Member Alvarez reported that at its last meeting the Committee discussed the Regional Transportation Plan, which is scheduled to be presented before the SANDAG Board in October. He suggested that Authority staff meet to look at the Authority's infrastructure needs in the region.

Chair Gleason requested that staff provide the Board with a general outline of the Regional Transportation Plan and how it impacts the Authority.

#### **CHAIR'S REPORT:**

Chair Gleason reported that he, along with Board Members Alvarez, Boling and Robinson, will be attending the Chamber of Commerce delegation to Washington DC this month. He reported that the Calendar of Meetings for 2016 will be distributed to the Board this month for review. He noted that Item 5 is on the agenda for Board approval.

**PRESIDENT/CEO'S REPORT:**

Thella F. Bowens, President/CEO, reported that on August 13<sup>th</sup>, the Authority received approval from the California Coastal Commission of the coastal development permit for the Terminal 2 Parking Plaza. She reported that construction of the Terminal Link Road is underway and that the Bus Storage operation is scheduled for completion in November. She reported that the Authority received grants in the amount of \$12 million for the Quieter Home, and \$4.4 million for the Runway 9 Displaced Threshold relocation project. She reported that staff continues to work with the community regarding the Federal Aviation Administration Metroplex project, and that the comment period has been extended to October 8<sup>th</sup>. She reported that the Airport Noise Mitigation Program received the Randy Jones Award for Excellence in Airport Noise Mitigation, presented by the American Association of Airport Executives. She reported that the Office of the Inspector General conducted a review of the Authority's Access Control Program and issued a report of no errors or negative findings. She also reported that the Authority hosted the California Land Use Consortium conference on August 26 – 28<sup>th</sup>, which resulted in the formation of a committee to spearhead revisions to the California Airport Land Use Planning Handbook.

**NON-AGENDA PUBLIC COMMENT:** None.

**CONSENT AGENDA (Items 1-25):**

Chair Gleason announced that staff requested that Item 19 be pulled from the agenda.

Board Member Alvarez requested that Item 22 be pulled from the Consent Agenda for discussion.

Board Member Hubbs requested that Items 24 and 25 be pulled from the Consent Agenda for discussion.

**ACTION: Moved by Board Member Desmond and seconded by Board Member Robinson to approve the Consent Agenda as amended. Motion carried by the following vote: YES – Alvarez, Boling, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – Cox. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)**

1. **APPROVAL OF MINUTES:**  
RECOMMENDATION: Approve the minutes of the July 1, 2015, special meeting and July 23, 2015, regular 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:**  
RECOMMENDATION: Accept the reports and pre-approve Board member attendance at other meetings, trainings and events not covered by the current resolution.
3. **AWARDED CONTRACTS, APPROVED CHANGE ORDERS FROM JUNE 29, 2015 THROUGH AUGUST 23, 2015 AND REAL PROPERTY AGREEMENTS GRANTED AND ACCEPTED FROM JUNE 29, 2015 THROUGH AUGUST 23, 2015:**  
RECOMMENDATION: Receive the report.
4. **SEPTEMBER 2015 LEGISLATIVE REPORT:**  
RECOMMENDATION: Adopt Resolution No. 2015-0083, approving the September 2015 Legislative Report.
5. **APPOINTMENTS TO BOARD COMMITTEES, LIAISON POSITIONS, OTHER REPRESENTATIVE AND ALTERNATE POSITIONS:**  
RECOMMENDATION: Adopt Resolution No. 2015-0084, appointing April Boling as Chair and Greg Cox as Vice Chair of the Finance Committee.
6. **APPOINTMENT OF AUTHORITY ADVISORY COMMITTEE MEMBERS:**  
RECOMMENDATION: Adopt Resolution No. 2015-0085, approving appointments to the Authority Advisory Committee.
7. **AMEND AUTHORITY POLICY 8.60 - RECORDS RETENTION, AND AUTHORITY POLICY 8.61 – DOCUMENT REPRODUCTION FOR THE PUBLIC:**  
RECOMMENDATION: Adopt Resolution No. 2015-0086, amending Authority Policy 8.60 - Records Retention, and Authority Policy 8.61 – Document Reproduction for the Public.
8. **GRANT AN ELECTRICAL EASEMENT TO THE CITY OF SAN DIEGO:**  
RECOMMENDATION: Adopt Resolution No. 2015-0087, authorizing the President/CEO to negotiate and execute an electrical easement with the City of San Diego in support of the Terminal Link Road project.

## ***CLAIMS***

9. **REJECT THE CLAIM OF WANDA AUSTIN:**  
RECOMMENDATION: Adopt Resolution No. 2015-0088, rejecting the claim of Wanda Austin.
10. **REJECT THE CLAIM OF JO ANN GONZALES:**  
RECOMMENDATION: Adopt Resolution No. 2015-0089, rejecting the claim of Jo Ann Gonzales.

## ***COMMITTEE RECOMMENDATIONS***

11. **ACCEPT THE UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015:**  
RECOMMENDATION: Accept the report.
12. **ACCEPT THE AUTHORITY'S INVESTMENT REPORT AS OF JUNE 30, 2015:**  
RECOMMENDATION: Accept the report.
13. **REQUIRED COMMUNICATION TO THE AUDIT COMMITTEE ON THE FINANCIAL AND COMPLIANCE AUDIT FOR THE FISCAL YEAR ENDED JUNE 30, 2015:**  
RECOMMENDATION: The Audit Committee recommends that the Board receive the information.
14. **FISCAL YEAR 2015 – ANNUAL REPORT FROM THE AUDIT COMMITTEE:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
15. **FISCAL YEAR 2015 ANNUAL AUDIT ACTIVITIES REPORT FROM THE OFFICE OF THE CHIEF AUDITOR:**  
RECOMMENDATION: The Audit Committee recommends that the Board accept the report.
16. **PROPOSED SECOND AMENDMENT TO CORRECT THE DEFINITION OF FINAL COMPENSATION USED FOR CALCULATION OF RETIREMENT BENEFIT IN THE AMENDED AND RESTATED SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY RETIREMENT PLAN AND TRUST OF 2013:**  
RECOMMENDATION: The Executive Personnel & Compensation Committee recommends that the Board adopt Resolution No. 2015-0090, approving and authorizing the President/CEO to execute a Second Amendment to the Amended and Restated San Diego County Regional Airport Authority Retirement Plan and Trust of 2013.



## **CONTRACTS AND AGREEMENTS**

- 17. AWARD AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A CONTRACT TO BALL-NOGUES DESIGN STUDIO, LLC TO DESIGN INTEGRATED ARTWORK FOR THE PARKING PLAZA:**  
RECOMMENDATION: The Airport Art Advisory Committee recommends that the Board adopt Resolution No. 2015-0091, awarding and authorizing the President/CEO to execute a Public Artwork Opportunity contract to Ball-Nogues Design Studio, LLC for the commission to design integrated artwork for the Parking Plaza in an amount not to exceed \$900,000.
- 18. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A THIRD AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING WITH THE SAN DIEGO COUNTY MUNICIPAL STORMWATER COPERMITTEES:**  
RECOMMENDATION: Adopt Resolution No. 2015-0092, approving and authorizing the President/CEO to execute a Third Amendment to the Memorandum of Understanding with the San Diego County Municipal Stormwater Copermittees.
- 19. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A FIRST AMENDMENT TO THREE ON-CALL MATERIAL TESTING, SPECIAL INSPECTION AND GEOTECHNICAL SERVICES AGREEMENTS:**  
ACTION: This item was removed from the Consent Agenda.
- 20. AWARD A CONTRACT TO SIGN AGE IDENTITY SYSTEMS, INC., FOR TERMINAL PARKING WAYFINDING SIGNAGE AT SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2015-0096, awarding a contract to Sign Age Identity Systems, Inc., in an amount of \$287,986 for Project No. 104168B, Terminal Parking Wayfinding Signage at San Diego International Airport.
- 21. AWARD A CONTRACT TO BC RENTALS, DBA, BC TRAFFIC SPECIALIST FOR RENTAL CAR CENTER (RCC) WAYFINDING SIGNAGE – CALTRANS AT SAN DIEGO INTERNATIONAL AIRPORT:**  
RECOMMENDATION: Adopt Resolution No. 2015-0097, awarding a contract to BC Rentals, dba, BC Traffic Specialist, in the amount of \$137,855.59 for Project No. 104168C-2, Rental Car Center (RCC) Wayfinding Signage – Caltrans at San Diego International Airport.
- 22. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LETTER OF AGREEMENT WITH APPLE, INC.:**  
ACTION: This item was removed from the Consent Agenda for discussion.

**23. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A SECOND AMENDMENT TO THE AGREEMENT WITH GATZKE DILLON & BALANCE LLP:**

RECOMMENDATION: Adopt Resolution No. 2015-0099, approving and authorizing the President/CEO to execute a Second Amendment to the Agreement with Gatzke Dillon & Ballance LLP for Professional Legal Services increasing the not-to-exceed amount by \$300,000 for a total not-to-exceed amount of \$600,000 and extending the term for one year.

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

**24. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL ARCHITECTURAL AND ENGINEERING CONSULTING SERVICES AGREEMENT:**

**ACTION:** This item was removed from the Consent Agenda for discussion.

**25. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL AIRSIDE/LANDSIDE ENGINEERING CONSULTANT SERVICES AGREEMENT:**

**ACTION:** This item was removed from the Consent Agenda for discussion.

**ITEM/S REMOVED FROM THE CONSENT AGENDA**

**22. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A LETTER OF AGREEMENT WITH APPLE, INC.:**

In response to Board Member Alvarez regarding clarification about Apple's use of the Airport's public mapping information, Rick Belliotti, Director, Information & Technology Services Department, stated that the data will provide indoor mapping for Apple iPhone users, exclusive to Apple Maps only.

RECOMMENDATION: Adopt Resolution No. 2015-0098, approving and authorizing the President/CEO to execute a Letter of Agreement with Apple, Inc., permitting use of the Airport's public map information.

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

**24. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL ARCHITECTURAL AND ENGINEERING CONSULTING SERVICES AGREEMENT:**

RECOMMENDATION: Adopt Resolution No. 2015-0100, approving and authorizing the President/CEO to execute an On-Call Architectural and Engineering Consulting Services Agreement with AB Engineering Inc., in an amount not-to-exceed \$5,000,000, for a term of three years, with the option for two one-year extensions at the sole discretion of the President/CEO in support of the Major Maintenance Program at San Diego International Airport.

**25. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN ON-CALL AIRSIDE/LANDSIDE ENGINEERING CONSULTANT SERVICES AGREEMENT:**

In response to Board Member Hubbs regarding Items 24 and 25 and how they relate to the AECOM contract, Jeffrey Woodson, Vice President, Development, stated that for Item 24, the proposed services are for the Facilities Maintenance Department, to provide architectural engineering services for smaller projects that are typically under \$100,000, and that for Item 25, the proposed services are for the Facilities Development Department to provide architectural engineering services for larger capital improvement program projects. He further stated that AECOM provides ongoing program management services for the Authority. He also stated that the reason for separating the projects is to provide checks, balances and accountability, and so that the AECOM program management team is not designing, inspecting and reviewing projects.

RECOMMENDATION: Adopt Resolution No. 2015-0101, approving and authorizing the President/CEO to execute an On-Call Airside/Landside Engineering Consultant Services Agreement with Atkins North America, Inc., for a term of three years, with the option for two one-year extensions, in an amount not-to-exceed \$5,000,000, in support of the Capital Improvement Program at the San Diego International Airport.

**ACTION: Moved by Board Member Hubbs and seconded by Board Member Sessom to approve staff's recommendation for Items 24 and 25. Motion carried by the following vote: YES – Alvarez, Boling, Desmond, Gleason, Hubbs, Janney, Robinson, Sessom; NO – None; ABSENT – Cox. (Weighted Vote Points: YES – 92; NO – 0; ABSENT – 8)**

**PUBLIC HEARINGS:** None.

**OLD BUSINESS:** None.

**NEW BUSINESS:**

**26. APPROVE AND AUTHORIZE THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT FOR CONTRACT SECURITY SERVICES:**

George Condon, Director, Aviation Operations and Public Safety, provided a presentation on an Agreement for Contract Security Services, which included Current Contract for Security Services, Request for Proposal Background and Process, Weighted Criteria for Proposals, Shortlist Selection, Interviews, Weighted Criteria for Interviews, Respondent Proposed Fees, Final Evaluation Panel Rankings, Background on HSS, Inc., and Recommendation.

In response to Board Member Alvarez regarding does the proposed contract call for an annual CPI increase, Mr. Condon stated that an hourly rate is established for the full term of the contract, with an estimated 2.6% annual increase.

In response to Board Member Alvarez regarding does HSS management provide employee contracts and salary increases for its employees, Brad Dalton, Vice President, Aviation and Government Services, HSS, stated that HSS does not have contracts with its employees, and that employee pay increases are based upon annual performance evaluations. He also stated that HSS management maintains a high employee retention rate. He further clarified that the pricing in the proposed agreement includes employee pay raises.

Board Member Desmond pointed out that while HSS was not the lowest bidder, justification for this is delineated in the staff report.

In response to Chair Gleason regarding what other than wage growth, is driving the agreement cost differential between the last 5 years and the next 5 years, Mr. Condon stated that there was previously a lot of cost estimates due to the Green Build project, wage increases, and more recently, aviation insider threats for TSA security directives.

**RECOMMENDATION:** Adopt Resolution No. 2015-0102, approving and authorizing the President/CEO to execute an agreement with HSS, Inc., for contract security services in an amount not-to-exceed nineteen million dollars (\$19,000,000) for a term of three (3) years, with the option of two (2) one-year extensions at the sole discretion of the President/CEO.

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

*The Board recessed at 10:12 a.m. and reconvened at 10:22 a.m.*

**27. AUTHORIZE THE PRESIDENT/CEO TO EXECUTE A DESIGN-BUILD AGREEMENT WITH SWINERTON BUILDERS FOR DESIGN AND CONSTRUCTION; AND TO NEGOTIATE AND EXECUTE WORK AUTHORIZATIONS FOR VALIDATION PHASE SERVICES, ADDITIONAL DESIGN AND EARLY CONSTRUCTION WORK OF THE TERMINAL 2 PARKING PLAZA:**

Bob Bolton, Director, Airport Design and Construction, provided a presentation on a Design-Build Agreement with Swinerton Builders, which included Previous Board Approvals, Coastal Commission Submittal – Terminal 2 Parking Plaza, Design-Build Project Delivery, Procurement of Design-Build Team, Parking Plaza Project Milestones, and Work Authorizations for Program Validation, Early Design and Early Enabling Work.

Board Member Desmond stated that he would like to see staff outreach in the region to encourage small and local business participation on this project.

Thella Bowens, President/CEO stated that there are currently no numbers provided for the proposed project, because decisions need to be made about the construction methodology, which will drive the goals for the small, local business participation.

Board Member Robinson moved to approve staff's recommendation, and Board Sessom seconded the motion.

Board Member Sessom expressed concern regarding how the Authority will hold the company accountable for small and local business participation once the contract is signed, and she requested that in the future, staff hold companies accountable for their commitment to small business participation with similar projects, using the Green Build as a standard.

In response to Chair Gleason regarding confirmation that the design build contract is inclusive of the commitments being made in the proposal, Amy Gonzalez, Director, General Counsel stated that as part of the 90-day validation period, Swinerton Builders is required to submit a small business outreach plan, which will be presented before the Board to be included in the contract.

Chair Gleason requested that he would like to see the selected artist component of the project integrated in the 90-day validation period.

Mr. Bolton stated that staff will be meeting in October with the project architects, artist, and Swinerton Builders to discuss the project.

Chair Gleason requested to see a general discussion regarding art when this item comes back to the Board in February.

Board Member Alvarez concurred with the need for accountability to commitments made by contractors regarding small and local business participation.

Ms. Bowens stated that one of the criteria for evaluating firms is based upon what has been their history and experience with other jobs in delivering local and small business participation.

In regards to parking, Board Member Janney stated that the timing for construction needs to be considered to avoid jeopardizing operating revenue for the Airport.

Mark Payne, Vice President, Swinerton Builders, San Diego, communicated Swinerton's commitment to meet the small and local business participation goals set by the Airport.

**RECOMMENDATION:** Adopt Resolution No. 2015-0103, authorizing the President/ CEO to (1) execute a Design-Build Agreement with Swinerton Builders; and (2) negotiate and execute Work Authorizations for validation phase services, additional design and early construction work with Swinerton Builders, in an amount not-to-exceed \$12,000,000, for project No. 104187, "Terminal 2 Parking Plaza" at San Diego International Airport.

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

**28. RECEIVE AN UPDATE AND PROVIDE DIRECTION TO STAFF ON THE NORTH HARBOR DRIVE BYPASS ROAD ALTERNATIVES FOR THE AIRPORT DEVELOPMENT PLAN (ADP):**

Keith Wilschetz, Director, Airport Planning provided a presentation on the North Harbor Drive Bypass Road Alternatives for the Airport Development Plan, which included Primary Study Objectives, Secondary Study Objectives, Stakeholder Outreach, SANDAG Partnership, How do Airport Passengers Access San Diego International Airport Today, North Harbor Drive Existing Traffic Conditions, San Diego County Regional Airport Authority Traffic Reduction Measures, Concept Development Process, Alternative R1: Stacked Roadway, Alternative R2: Anchor Island Flyovers, Alternative R3: Anchor Island Intersection, Necessary Closures/Restrictions, Benefits of Alternatives, Technical Team Evaluation, and Next Steps.

In response to Board Member Hubbs regarding has pedestrian and bicycle movement been included as part of the suggested alternatives, Mr. Wilschetz stated that this was not specifically addressed, but that it can be incorporated in to any one of the alternatives, and staff would ensure this is incorporated in the plans.

In response to Board Member Desmond regarding has there been weigh-in by the City of San Diego and SANDAG on the proposed alternatives, Mr. Wilschetz stated that Authority staff will be meeting with the City of San Diego to discuss further details of the proposed alternatives. He stated that SANDAG and Solar Turbines have expressed concerns with traffic movement between Laurel Street and North Harbor Drive, that they believe needs to be maintained.

Board Member Sessom expressed concerns with pedestrian and bicycle traffic and its negative effects on light intersection signals. She suggested consideration of dedicated guideways for pedestrian and bicycles. She stated that roadway flyovers and additional signal intersections may create more confusion for drivers.

Board Member Boling expressed concerns with access by non-airport traffic to Harbor Island.

Board Member Janney stated that there needs to be as many options as possible for access to the airport, including Pacific Highway and Laurel Street.

Chair Gleason stated that alternatives should include relocating Solar Turbines parking and access to Laurel Street needs to be incorporated and maintained. He stated that there needs to be close integration between Authority staff and Port staff regarding the proposed alternatives, and what the Port is planning for in its Master Plan.

RECOMMENDATION: Receive an update and provide direction.

*Board Member Alvarez left the meeting at 11:48 a.m.*

*The Board recessed at 11:52 a.m. and reconvened at 12:14 p.m.*

**CLOSED SESSION:** The Board recessed in to Closed Session at 12:15 p.m. to discuss Items 31 and 37.

**29. 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: Scott Brickner, Finance & Asset Management, Vice President/Treasurer.

Negotiating Parties: San Diego Gas & Electric, United States Fish and Wildlife Service, GGTW, LLC (current tenant) and/or other interested parties.

Under Negotiation: Sale – terms and conditions.

- 30. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Diego Concession Group, Inc. v. San Diego County Regional Airport Authority,  
San Diego Superior Court Case No. 37-2012-00088083-CU-BT-CTL
- 31. CONFERENCE WITH LEGAL COUNSEL-EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Dryden Oaks, LLC v. San Diego County Regional Airport Authority, et al.,  
San Diego Superior Court, North County, Case No. 37-2014-00004077-CU-EI-NC
- 32. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Donna Wilson; John Wilson v. San Diego Port Authority; San Diego International Airport; San Diego County Regional Airport Authority  
San Diego Superior Court Case No. 37-2014-00015326-CU-PO-CTL (Meyer)
- 33. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a) and (d)(1).)  
Joan M. Ward v. San Diego County Regional Airport Authority, et al  
San Diego Superior Court Case No. 37-2014-00022181-CU-WT-CTL
- 34. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:**  
(Cal. Gov. Code § 54956.9(a)):  
Maria Paula Bermudez v. San Diego County Regional Airport Authority,  
American Airlines, Inc., et al.  
San Diego Superior Court Case No. 37-2015-00022911-CU-PO-CTL.
- 35. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION AND EXISTING LITIGATION:**  
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9(a) and 54956.9(b).)  
Jay A. Bass, et al v. San Diego City Employees’ Retirement System, et al.,  
San Diego Superior Court Case No. 37-2013-00077566-CU-OE-CTL
- 36. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Significant exposure to litigation pursuant to Cal. Gov. Code §§ 54956.9 (b) and 54954.5.)  
Re: Investigative Order No. R9-2012-0009 by the California Regional Water Quality Control Board regarding submission of technical reports pertaining to an investigation of bay sediments at the Downtown Anchorage Area in San Diego.  
Number of potential cases: 1
- 37. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION:**  
(Initiation of litigation pursuant to Cal. Government Code § 54956.9(d).)  
Number of cases: 2



**REPORT ON CLOSED SESSION:** The Board reconvened into Open Session at 12:56 p.m. There was no reportable action.

**NON-AGENDA PUBLIC COMMENT:** None.

**GENERAL COUNSEL REPORT:** None.

**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:** None.

**ADJOURNMENT:** The meeting was adjourned at 12:57 p.m.

APPROVED BY A MOTION OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY BOARD THIS 15<sup>th</sup> DAY OF OCTOBER, 2015.

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



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

Item No.  
**2**

Meeting Date: **OCTOBER 15, 2015**

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**Subject:**

**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.

**Background/Justification:**

Authority Policy 1.10 defines a "day of service" for Board Member compensation and outlines the requirements for Board Member attendance at meetings.

Pursuant to Authority Policy 1.10, Board Members are required to deliver to the Board a written report regarding their participation in meetings for which they are compensated. Their report is to be delivered at the next Board meeting following the specific meeting and/or training attended. The reports (Attachment A) were reviewed pursuant to Authority Policy 1.10 Section 5 (g), which defines a "day of service". The reports were also reviewed pursuant to Board Resolution No. 2009-0149R, which granted approval of Board Member representation for attending events and meetings.

The attached reports are being presented to comply with the requirements of Policy 1.10 and the Authority Act.

***The Board is also being requested to pre-approve Board Member attendance at briefings by representatives of a local police department or a state or federal governmental agency regarding safety, security, immigration or customs affecting San Diego International Airport.***

**Fiscal Impact:**

Board and Committee Member Compensation is included in the FY 2016 Budget.

**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. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act, Pub. Res. Code Section 30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

TONY R. RUSSELL  
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

**GREG COX**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**

Period Covered: Sept 1-30, 2015

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
<i>GREG COX</i>		<i>SEPTEMBER 25, 2015</i>
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <i>SEP 8, 2015</i> Time: <i>9:00 am</i> Location: <i>SDIA</i>	<i>SPECIAL EXECUTIVE / FINANCE COMMITTEE SPECIAL BOARD MEETING</i>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

**I certify that I was present for at least half of the time set for each meeting, event and training listed herein.**

Signature: *Greg Cox*

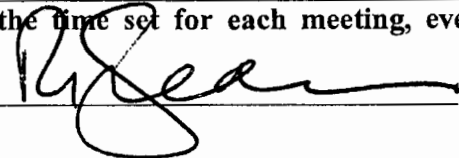
**ROBERT GLEASON**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**  
 Period Covered: SEPTEMBER 2015

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for “day of service” compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

<b>BOARD MEMBER NAME: (Please print)</b>		<b>DATE OF THIS REPORT:</b>
ROBERT H. GLEASON		October 5, 2015
<b>TYPE OF MEETING</b>	<b>DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING</b>	<b>SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING</b>
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: September 8, 2015 Time: 9:00 am Location: SDCRAA offices	Executive / Finance Committee meeting
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: September 17, 2015 Time: 9:00 am Location: SDCRAA offices	ALUC / Board meeting
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: September 27, 2015 Time: 7:00 pm Location: Washington, DC	SD Chamber of Commerce One Region, One Voice Conference, Welcome Reception; attended on behalf of the Airport Authority
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: September 28, 2015 Time: All-day Location: Washington, DC	SD Chamber of Commerce One Region, One Voice Conference; attended on behalf of the Airport Authority
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: September 29, 2015 Time: All-day Location: Washington, DC	SD Chamber of Commerce One Region, One Voice Conference; attended on behalf of the Airport Authority
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

**I certify that I was present for at least half of the time set for each meeting, event and training listed herein.**

Signature: 

**LLOYD HUBBS**



**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**

**Board Member Event/Meeting/Training Report Summary**

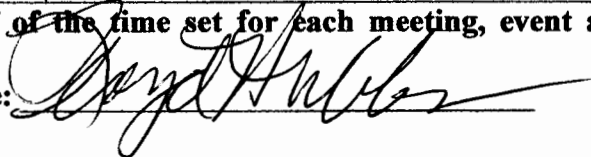
Period Covered: September 2015

SDCRAA OCT 05 2015 Corporate & Information Governance
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**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
LLOYD HUBBS		10-4-15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 9/4/15 Time: 9:00 Location: SANDAG	TRANSPORTATION Comm.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 9/8/15 Time: 9:00 Location: AUTHORITY Bd Rm	Executive Comm. Mtg.
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: 9/17/15 Time: 9:00 Location: ANTH Bd. Rm	BOARD MTG.
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
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<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

**I certify that I was present for at least half of the time set for each meeting, event and training listed herein.**

Signature: 

**JIM JANNEY**

SDCRAA  
 OCT 08 2015  
 Corporate & Information Governance

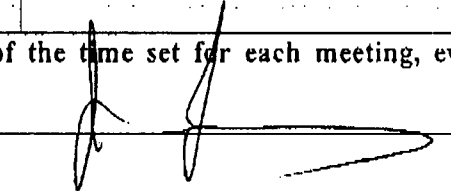
**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
 Board Member Event/Meeting/Training Report Summary**

Period Covered: Sept 2015

**Directions:** This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0007. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT
Jim Janney		10-8-15
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
Brown Act Pre-approved Res. 2009-0149R	Date: Sept 15 <sup>th</sup> Time: 4:00 PM Location: Coronado City Hall	update presentation to City Council at the Cities Request
Brown Act Pre-approved Res. 2009-0149R	Date: Sept 17 Time: 9:00 Location: SDCRAA	Board & ALUC mtg
Brown Act Pre-approved Res. 2009-0149R	Date: Sept 23 Time: 3:30 Location: Coronado City Hall	Breakfast with Mayor Mansueti & staff on TB & Coronado Airport
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	
Brown Act Pre-approved Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 

**PAUL ROBINSON**

SDCRAA  
OCT 01 2015

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**Board Member Event/Meeting/Training Report Summary**

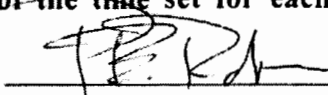
Corporate & Information Governance

Period Covered: 9/30/15

Directions: This Form permits Board Members to report their attendance at meetings, events, and training that qualify for "day of service" compensation pursuant to Cal. Pub. Util. Code §170017, Board Policy 1.10 and Board Resolution 2009-0149R. Unless attending a meeting held pursuant to the Brown Act, attendance must be pre-approved by the Board prior to attendance and a written report delivered at the next Board meeting. After completing this Form, please forward it to Tony Russell, Authority Clerk.

BOARD MEMBER NAME: (Please print)		DATE OF THIS REPORT:
Paul E. Robinson		
TYPE OF MEETING	DATE/TIME/LOCATION OF EVENT/MEETING/TRAINING	SUMMARY AND DESCRIPTION OF THE EVENT/MEETING/TRAINING
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>9/8/15</u> Time: <u>9:00 - 10:00 a.m.</u> Location: <u>SDCRAA Bd Rm</u>	<u>SDCRAA Exec. Finance Comm. Mtgs</u>
<input checked="" type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>9/17/15</u> Time: <u>9:00 - 1:00 pm.</u> Location:	<u>SDCRAA Bd / ALUC Mtgs</u>
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>9/27/15</u> Time: <u>6:00 pm - 10:01 pm</u> Location: <u>Washington D.C.</u>	<u>Chamber Trip</u>
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>9/28/15</u> Time: <u>8:00 a.m - 10:00 p.m.</u> Location: <u>Washington D.C.</u>	<u>Chamber Trip</u>
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>9/29/15</u> Time: <u>8:00 a.m - 8:00 p.m.</u> Location: <u>Washington D.C.</u>	<u>Chamber Trip</u>
<input type="checkbox"/> Brown Act <input checked="" type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: <u>9/30</u> Time: <u>8:00 - 9:30 a.m</u> Location: <u>Washington D.C</u>	<u>Chamber Trip</u>
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	
<input type="checkbox"/> Brown Act <input type="checkbox"/> Pre-approved <input type="checkbox"/> Res. 2009-0149R	Date: Time: Location:	

I certify that I was present for at least half of the time set for each meeting, event and training listed herein.

Signature: 



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

**Item No.  
3**

Meeting Date: **OCTOBER 15, 2015**

**Subject:**

**Awarded Contracts, Approved Change Orders from August 24, 2015 through September 20, 2015 and Real Property Agreements Granted and Accepted from August 24, 2015 through September 20, 2015**

**Recommendation:**

Receive the report.

**Background/Justification:**

Policy Section Nos. 5.01, Procurement of Services, Consulting, Materials, and Equipment, 5.02, Procurement of Contracts for Public Works, and 6.01, Leasing Policy, require staff to provide a list of contracts, change orders, and real property agreements that were awarded and approved by the President/CEO or her designee. Staff has compiled a list of all contracts, change orders (Attachment A) and real property agreements (Attachment B) that were awarded, granted, accepted, or approved by the President/CEO or her designee since the previous Board meeting.

**Fiscal Impact:**

The fiscal impact of these contracts and change orders are reflected in the individual program budget for the execution year and on the next fiscal year budget submission. Amount to vary depending upon the following factors:

1. Contracts issued on a multi-year basis; and
2. Contracts issued on a Not-to-Exceed basis.
3. General fiscal impact of lease agreements reflects market conditions.

The fiscal impact of each reported real property agreement is identified for consideration on Attachment B.

**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. CEQA: 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. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Inclusionary Policy requirements were included during the solicitation process prior to the contract award.

**Prepared by:**

JANA VARGAS  
DIRECTOR, PROCUREMENT

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN August 24, 2015 - September 20, 2015**



**New Contracts**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
8/31/2015	N/A	NeuroLeadership Institute, Inc.	The Contractor will provide training services for current Authority leaders. NeuroLeadership Institute, Inc. holds a license and trademark on the training services selected by the Talent, Culture & Capability department. No other provider can teach the model selected.	Single Source	Talent, Culture & Capability	\$95,000.00	12/31/2015
9/1/2015	N/A	Sentek Cyber, LLC	The Contractor will conduct web/application penetration testing services for San Diego County Regional Airport Authority.	Informal	Information & Technology Services	\$47,912.07	12/31/2015
9/1/2015	N/A	Human Ergonomics & Wellness Institute	The Contractor will conduct an Ergonomics Wellness Pilot Program for San Diego County Regional Airport Authority.	Informal	Talent, Culture & Capability	\$1,200.00	8/14/2016
9/11/2015	N/A	Total Communicator Solutions, Inc.	The Contractor will design, develop and deliver a geo-spatial based proximity sensor platform to interact with customer's mobile devices. Total Communicator Solutions, Inc. is the single known source with a proprietary software platform to facilitate multiple application access to our geo-location infrastructure while allowing the Authority to manage access.	Single Source	Information & Technology Services	\$450,000.00	8/31/2020



**New Contracts Approved by the Board**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
8/5/2015	104200	Tel Tech Plus, Inc.	This contract was approved by the Board at the July 23, 2015 Board Meeting. The Contractor will complete the East Side Fiber Loop Installation project at San Diego International Airport.	RFB	Facilities Development	\$171,752.00	12/7/2015
8/11/2015	380808	G & G Specialty Contracting, Inc.	This contract was approved by the Board at the July 23, 2015 Board Meeting. The Contractor will provide sound attenuation treatment to residences included in Phase 8, Group 8 of the Quieter Home Program.	RFB	Airport Planning & Noise Mitigation	\$1,503,140.00	6/12/2016
8/25/2015	N/A	Coffman Associates, Inc.	This contract was approved by the Board at the July 23, 2015 Board Meeting. The Contractor will provide Airport Land Use Compatibility technical support for San Diego County Regional Airport Authority.	RFP	Airport Planning & Noise Mitigation	\$1,000,000.00	8/13/2018
9/11/2015	N/A	Ricondo & Associates, Inc.	This contract was approved by the Board at the July 23, 2015 Board Meeting. The Contractor will provide Airport Land Use Compatibility technical support for San Diego County Regional Airport Authority.	RFP	Airport Planning & Noise Mitigation	\$2,000,000.00	8/13/2018



**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN August 24, 2015 - September 20, 2015**



**Amendments and Change Orders**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description of Change</b>	<b>Owner</b>	<b>Previous Contract Amount</b>	<b>Change Order Value (+ / -)</b>	<b>Change Order Value ( % ) (+ / -)</b>	<b>New Contract Value</b>	<b>New End Date</b>
9/16/2015	N/A	Major Video, Inc.	The First Amendment increases the maximum amount of compensation by \$20,000.00 for professional video recording services for San Diego County Regional Airport Authority.	Vision, Voice & Engagement	\$50,000.00	\$20,000.00	40%	\$70,000.00	11/26/2015



**Amendments and Change Orders - Approved by the Board**

5/8/2015	N/A	City of San Diego	The Second Amendment was approved by the Board at the April 23, 2015 Board Meeting. The Second Amendment exercises the option to the two (2) one-year extension periods and increases the maximum amount of compensation by \$500,000.00 for Emergency Medical Technician services at San Diego International Airport.	Aviation Security & Public Safety	\$4,818,000.00	\$500,000.00	10%	\$5,318,000.00	6/30/2017
9/11/2015	N/A	Ueberall International, LLC	The First Amendment was approved by the Board at the June 25, 2015 Board Meeting. The First Amendment extends the term of the contract by 8 months; revises Exhibit A "Scope of Work"; revises Exhibit B "Compensation & Payment Schedule"; and revises Exhibit C "Insurance Requirements for Artist". There is no increase in compensation.	Vision, Voice & Engagement	\$800,000.00	\$0.00	0%	\$800,000.00	1/31/2017

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN August 24, 2015 - September 20, 2015**



**New Contracts**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
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9/1/2015	N/A	Sentek Cyber, LLC	The Contractor will conduct web/application penetration testing services for San Diego County Regional Airport Authority.	Informal	Information & Technology Services	\$47,912.07	12/31/2015
9/1/2015	N/A	Human Ergonomics & Wellness Institute	The Contractor will conduct an Ergonomics Wellness Pilot Program for San Diego County Regional Airport Authority.	Informal	Talent, Culture & Capability	\$1,200.00	8/14/2016
9/11/2015	N/A	Total Communicator Solutions, Inc.	The Contractor will design, develop and deliver a geo-spatial based proximity sensor platform to interact with customer's mobile devices. Total Communicator Solutions, Inc. is the single known source with a proprietary software platform to facilitate multiple application access to our geo-location infrastructure while allowing the Authority to manage access.	Single Source	Information & Technology Services	\$450,000.00	8/31/2020



**New Contracts Approved by the Board**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description</b>	<b>Solicitation Method</b>	<b>Owner</b>	<b>Contract Value</b>	<b>End Date</b>
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9/11/2015	N/A	Ricondo & Associates, Inc.	This contract was approved by the Board at the July 23, 2015 Board Meeting. The Contractor will provide Airport Land Use Compatibility technical support for San Diego County Regional Airport Authority.	RFP	Airport Planning & Noise Mitigation	\$2,000,000.00	8/13/2018

**Attachment "A"**

**AWARDED CONTRACTS AND CHANGE ORDERS SIGNED BETWEEN August 24, 2015 - September 20, 2015**



**Amendments and Change Orders**

<b>Date Signed</b>	<b>CIP #</b>	<b>Company</b>	<b>Description of Change</b>	<b>Owner</b>	<b>Previous Contract Amount</b>	<b>Change Order Value (+ / -)</b>	<b>Change Order Value ( % ) (+ / -)</b>	<b>New Contract Value</b>	<b>New End Date</b>
9/16/2015	N/A	Major Video, Inc.	The First Amendment increases the maximum amount of compensation by \$20,000.00 for professional video recording services for San Diego County Regional Airport Authority.	Vision, Voice & Engagement	\$50,000.00	\$20,000.00	40%	\$70,000.00	11/26/2015



**Amendments and Change Orders - Approved by the Board**

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9/11/2015	N/A	Ueberall International, LLC	The First Amendment was approved by the Board at the June 25, 2015 Board Meeting. The First Amendment extends the term of the contract by 8 months; revises Exhibit A "Scope of Work"; revises Exhibit B "Compensation & Payment Schedule"; and revises Exhibit C "Insurance Requirements for Artist". There is no increase in compensation.	Vision, Voice & Engagement	\$800,000.00	\$0.00	0%	\$800,000.00	1/31/2017

## Attachment "B"

## REAL PROPERTY AGREEMENTS EXECUTED FROM AUGUST 24, 2015 TO SEPTEMBER 20, 2015



## Real Property Agreements

Begin/End Dates	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
4/15/15 - 3/31/20	LE-0865	Swissport Lounge, LLC	Rental Agreement	Second floor of Terminal 2 East at San Diego International Airport	Administrative office space associated with the operation of the common use lounge	113	Concession support premises rental rate of \$46.06 per square foot per year	The rental rate shall be adjusted annually on July 1st during the agreement term based on CPI but shall not be increased by more than 5% annually and in no event be less than the rate for the immediately preceding Rental Period.
9/1/15 - 8/31/20	LE-0864	Goodfellows Shoeshine California Inc., a wholly owned subsidiary of S.L.B. Inc.	Concession Lease for Operation of Shoeshine and Retail Services	4 locations in Terminals 1 and 2 at San Diego International Airport	Shoeshine service and retail sales	N/A	The greater of \$20,000 initial Minimum Annual Guarantee (MAG) or 15% of Gross Receipts from shoeshine service and retail concession	Annually on July 1st of each Lease Year, beginning July 1, 2016, the MAG will be adjusted to 90% of the actual rent payable to Authority during the prior Lease Year or 103% of the prior Lease Year, whichever is greater.



## Real Property Agreement Amendments and Assignments

Effective Date	Authority Doc. #	Tenant/Company	Agreement Type	Property Location	Use	Property Area (s.f)	Consideration	Comments
12/15/14 - 9/30/15	LE-0809	SDCRAA	Second Amendment to a Right of Entry License Agreement	San Diego Unified Port District's Port Employee Parking Lot	Misc construction items	N/A	\$500 process fee	The Authority is the Licensee performing work on Port Property
9/1/15 - 8/30/20	TBD	Total Communication Service, Inc.	Contractor Revenue Agreement	N/A	The sale of access and use rights for Authority's Proximity Location Network (PLN) and sale of PLN systems to other airports	N/A	34% of Gross Receipts from the sale of access or use of Authority's PLN, plus the greater of \$50,000 or 20% of Gross Receipts from sale of each PLN system at another airport	Consideration is not applicable to sales of PLN systems to certain airports with whom the company is already engaged



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

Item No.  
**4**

Meeting Date: **OCTOBER 15, 2015**

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**Subject:**

**October 2015 Legislative Report**

**Recommendation:**

Adopt Resolution No. 2015-0104, approving the October 2015 Legislative Report.

**Background/Justification:**

The Legislative Advocacy Program Policy adopted by the Board on November 10, 2003, requires that Authority staff present the Board with monthly reports concerning the status of legislation with potential impact to the Authority. The October 2015 Legislative Report updates Board members on legislative activities that have taken place during the months of September. The Authority Board provides direction to staff on legislative issues by adoption of a monthly Legislative Report (Attachment A).

**State Legislative Action**

The Authority's legislative team does not recommend that the Board adopt any new positions on state legislation.

The State Legislature is scheduled to reconvene its next regular session on January 4, 2016.

**Federal Legislative Action**

The Authority's legislative team does not recommend that the Board adopt any new positions on federal legislation.

On September 25, 2015, Speaker of the House John Boehner announced that he will resign from Congress at the end of October.

On September 29, 2015, the U.S. House of Representatives and the U.S. Senate passed bills to extend Federal Aviation Administration program funding at the current level for six months. In addition, Congress approved a continuing resolution to continue funding other federal government programs through December 11, 2015. Both measures were signed into law by President Obama prior to the September 30th end of the fiscal year.

**Fiscal Impact:**

Not applicable.

**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. CEQA: 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. Cal. Pub. Res. Code § 21065.
  
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code § 30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

MICHAEL KULIS  
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2015-0104

A RESOLUTION OF THE BOARD OF THE SAN  
DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
APPROVING THE OCTOBER 2015 LEGISLATIVE  
REPORT

WHEREAS, the San Diego County Regional Airport Authority (“Authority”) operates San Diego International Airport as well as plans for necessary improvements to the regional air transportation system in San Diego County, including serving as the responsible agency for airport land use planning within the County; and

WHEREAS, the Authority has a responsibility to promote public policies consistent with the Authority’s mandates and objectives; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, under the Authority’s Legislative Advocacy Program Policy, the Authority Board provides direction to Authority staff on pending legislation; and

WHEREAS, the Authority Board, in directing staff, may adopt positions on legislation that has been determined to have a potential impact on the Authority’s operations and functions.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the October 2015 Legislative Report (Attachment A); and

BE IT FURTHER RESOLVED that the Board finds that this 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 15th day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



October 2015 Legislative Report

State Legislation

**Legislation/Topic**

**SB 272 (Hertzberg) – The California Public Records Act: local agencies: inventory**

**Background/Summary**

This bill would amend the California Public Records Act to require state and local government agencies to compile a catalog of information technology software applications and computer systems used by agencies and publish that information on the agency's internet website.

**Anticipated Impact/Discussion**

If enacted, this bill would require the Authority to create and make public a catalog of—among other things—names and descriptions of information technology (IT) programs utilized by the Authority, program vendors, the department that serves as the custodian of respective data records, and how frequently system data is collected and updated. The public identification of specific IT programs and data maintenance schedule may provide a “checklist” that could expose the Authority’s IT system to external security threats, both cyber and physical.

**Status:** 9/11/15 – Enrolled and sent to the Governor for signature

**Position:** Oppose (7/23/15)

**Legislation/Topic**

**AB 1422 (Cooper) - Transportation Network Companies**

**Background/Summary**

This bill would require a transportation network company (TNC) to participate in the California Department of Motor Vehicles pull-notice system. Participation in the pull-notice system would allow TNCs to regularly check the driving records of a participating driver regardless of whether the driver is an employee or an independent contractor of the TNC.

**Anticipated Impact/Discussion**

This bill could provide an additional level of public safety for customers opting to use TNC vehicles operating at San Diego International Airport.

**Status:** 9/9/15 – Enrolled and sent to the Governor for signature

**Position:** Support (5/21/15)

*\* Shaded text represents new or updated legislative information*

**Legislation/Topic**

**AB 1347 (Chiu) – Public contracts: claims**

**Background/Summary**

This bill would establish, for contracts entered into on or after January 1, 2016, a new claim resolution process applicable to claims by contractors performing public works projects. The bill would define a claim as a separate demand by the contractor for either: a time extension for relief from damages or penalties for delay, payment of money or damages arising from work done pursuant to the contract for public work, or payment of an amount disputed by the public entity. The bill would require a public agency to respond to a claim within forty-five days. Under the bill, public entities could be subject to non-binding mediation for disputed claims by contractors and subcontractors.

**Anticipated Impact/Discussion**

The enactment of this bill is expected to have a negative impact on the Authority's contracting process and create additional opportunities for delay, conflict, and additional costs.

**Status:** 9/25/15 – Enrolled and sent to Governor for signature

**Position:** Oppose (4/23/15)

**Legislation/Topic**

**AB 764 (Quirk) – Commercial parking lots: design insurance discount**

**Background/Summary**

This bill would require the California State Building Standards Commission in collaboration with the State Architect and the State Fire Marshall to consider building standards at each model review, that require the installation of vehicle barriers in the design of any new building. The bill would also authorize insurers to consider the installation of vehicle barriers on commercial property parking lots as a safety measure.

**Anticipated Impact/Discussion**

The authorization of insurers to consider the installation of bollards as a safety measure may create an opportunity for reduced insurance rates for property owners. This bill will be monitored by staff for any potential opportunities at San Diego International Airport.

**Status:** 9/17/15 – Enrolled and sent to Governor for signature

**Position:** Watch (3/19/15)

*\*Shaded text represents new or updated legislative information*

**Legislation/Topic**

**AB 828 (Low) – Vehicles: transportation network companies**

**Background/Summary**

This bill would exclude from the definition of “commercial vehicle” for purposes of the California Vehicle Code, any motor vehicle operated in connection with a transportation network company if specified conditions are satisfied.

**Anticipated Impact/Discussion**

This bill is not expected to impact ground transportation operations at San Diego International Airport.

**Status:** 7/16/15 – Died in the Senate Committee on Energy, Utilities and Communications

**Position:** Watch (4/23/15)

**Legislation/Topic**

**AB 863 (Dodd) – Modified limousines: passenger safety**

**Background/Summary**

This bill would require as of January 1, 2017, any person operating a modified limousine that is modified prior to July 1, 2015, to ensure that the vehicle is equipped with at least one or two rear side doors and one or two rear windows that the rear seat passengers or all passengers of the vehicle may open from the inside in case of fire or other emergency.

**Anticipated Impact/Discussion**

The impetus for this bill is a public safety issue related to a fatal incident in San Francisco. This bill is being monitored by the Authority’s legislative team for any potential impact to ground transportation operations at San Diego International Airport.

**Status:** 9/9/15 – Enrolled and sent to the Governor for signature

**Position:** Watch (4/23/15)

**Legislation/Topic**

**AB 1360 (Ting) – Charter-party carriers of passengers: individual fare exemption**

**Background/Summary**

This bill would allow TNCs and charter-party carriers of passengers to charge fares based on vehicle mileage or time of use basis, rather than on an individual-fare basis in certain situations. This would occur for rides among multiple passengers who share the

*\*Shaded text represents new or updated legislative information*

ride in whole or in part, provided that the fare for each passenger is less than the fare that would be charged to a single passenger travelling alone.

**Anticipated Impact/Discussion**

This bill is not expected to impact ground transportation operations at San Diego International Airport.

**Status:** 7/16/15 – Died in the Senate Committee on Energy, Utilities and Communications

**Position:** Watch (4/23/15)

**Legislation/Topic**

**SB 330 (Mendoza) – Public officers: contracts and financial interest**

**Background/Summary**

This bill would, beginning on January 1, 2017, expand current prohibitions on elected members of a state or local body, board, or commission from having a financial interest in contract decisions in which they are involved. The expansion proposed in SB 330 would prohibit the spouses, children, parents and siblings of the elected members from having a financial interest in such contract decisions.

**Anticipated Impact/Discussion**

This bill will be monitored by staff to determine any potential impact to the Airport Authority.

**Status:** 6/27/15 – Died in Assembly Committee on Appropriations

**Position:** Watch (4/23/15)

**Legislation/Topic**

**SB 541 (Hill) – Public Utilities Commission: transportation companies**

**Background/Summary**

This bill would require the Public Utilities Commission (PUC) to undertake several actions to ensure compliance with the Household Goods Carriers Act and the Passenger Charter-party Carriers Act. The bill would also require the PUC to provide the State Legislature with a report on their capabilities to carry out activities specified in SB 541 by January 1, 2017.

**Anticipated Impact/Discussion**

This bill will be monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

*\*Shaded text represents new or updated legislative information*

**Status:** 9/15/15 – Enrolled and sent to the Governor for signature

**Position:** Watch (4/23/15)

*\*Shaded text represents new or updated legislative information*

## Federal Legislation

### **Legislation/Topic**

**H.R. 1835 (Mica) – The Air Traffic Controller Reform and Employee Stock Ownership Act of 2015**

### **Background/Summary**

This bill would privatize some facets of the nation's air traffic control system and create a new private corporation that would oversee functions currently handled by the Federal Aviation Administration (FAA). The Secretary of Transportation would be required to submit a transfer plan to Congress within 60 days of enactment of H.R. 1835.

### **Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport. It is anticipated that legislation similar to H.R. 1835 will be included in a comprehensive FAA Reauthorization Bill.

**Status:** 4/16/15 – Introduced and Referred to the House Committee on Transportation and Infrastructure and the House Committee on Oversight and Government Reform

**Position:** Watch (5/21/15)

### **Legislation/Topic**

**H.R. 2577 (Diaz-Balart) – Fiscal Year 2016 Transportation Appropriations Act**

### **Background/Summary**

This bill would provide funding for the Department of Transportation and Federal Aviation Administration (FAA) for Fiscal Year 2016. The bill contains \$9.87 billion for Federal Aviation Administration operations and \$3.35 billion, the full authorized level, for the Airport Improvement Program. This bill will provide funding for 14,500 air traffic controllers, 7,400 safety inspectors and operational support. The bill will also fund FAA's Next Generation Air Transportation System (NextGen) at \$931 million, and fund the Contract Tower Program at \$154 million.

### **Anticipated Impact/Discussion**

Passage of this bill would benefit San Diego International Airport by providing continued funding for the AIP program, which will assist in funding airport projects.

**Status:** 6/9/15 – Approved by the House on a vote of 216-210 and referred to the Senate Appropriations Committee

**Position:** Support (5/21/15)

*\*Shaded text represents new or updated legislative information*

**Legislation/Topic**

**H.R. 720 (Katko) – The Gerardo Hernandez Airport Security Act**

**Background/Summary**

This bill, named after Gerardo Hernandez, the Transportation Security Administration (TSA) employee killed on duty in 2013, would direct the Department of Homeland Security to undertake a variety of activities to enhance security and communication at U.S. airports. The bill would specifically require the TSA to verify that all airports have appropriate security response plans.

**Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

**Status:** 2/10/15 – Approved by the House on a vote of 411-1  
8/5/15 – Approved by the Senate on a vote of unanimous consent

**Position:** Watch (2/19/15)

**Legislation/Topic**

**H.R. 719 (Katko) – The Transportation Security Administration Office of Inspection Accountability Act**

**Background/Summary**

This bill would mandate that criminal investigators at the Transportation Security Administration (TSA) spend at least half of their time investigating, apprehending or detaining individuals suspected of committing a crime. TSA does not currently have any rules in that regard for its criminal investigators.

**Anticipated Impact/Discussion**

This bill will be closely monitored by the Authority's legislative team for any potential impact to San Diego International Airport.

**Status:** 2/10/15 – Approved by the House on a vote of 414-0 and referred to the Senate Committee on Commerce, Science and Transportation

**Position:** Watch (2/19/15)

**Legislation/Topic**

**H.R. 2750 (Katko) – The Improved Security Vetting for Aviation Workers Act of 2015**

**Background/Summary**

This bill would codify the recommendations issued by the Department of Homeland Security Inspector General relating particularly to the vetting and badging of airport employees.

**Anticipated Impact/Discussion**

This bill would require the establishment of new guidance procedures for the annual review of badging offices by the end of 2015. Inspections will include a review of applicants' Criminal History Records Check (CHRC) and work authorization documentation. The legislation would also require airport badging offices to indicate, on an employee's credentials, the date their authorization to work in the United States ends. Further, the bill would require the Transportation Security Administration (TSA) to review cases involving credentials denied due to issues determining the legal status of an employee. The findings of this review will be used to identify and correct weaknesses of airports. Specifically, if enacted, Authority staff will coordinate with TSA staff on any actions necessary to implement these new requirements.

**Status:** 7/27/15 – Approved by the House on a voice vote

**Position:** Watch (7/23/15)

**Legislation/Topic**

**H.R. 2843 (Katko) – The TSA PreCheck Expansion Act**

**Background/Summary**

This bill would require the Transportation Security Administration (TSA) Administrator to coordinate with private sector partners to increase public enrollment in the PreCheck Program and to maximize the availability of PreCheck screening, particularly during peak and high volume travel times.

**Anticipated Impact/Discussion**

Authority staff will coordinate with TSA staff to assist in implementing the actions in H.R. 2843 if this legislation is enacted.

**Status:** 7/27/15 - Approved by the House on a voice vote

**Position:** Watch (7/23/15)

*\* Shaded text represents new or updated legislative information*



**Legislation/Topic**

**H.R. 2127 (Thompson) – The Securing Expedited Screening Act**

**Background/Summary**

This bill would require the Transportation Security Administration (TSA) to limit expedited security screening at airports to passengers enrolled in a Department of Homeland Security-trusted traveler program, members of the armed forces, and other low risk travelers.

**Anticipated Impact/Discussion**

This legislation is not expected to result in any significant impact to San Diego International Airport operations.

**Status:** 7/27/15 - Approved by the House on a voice vote

**Position:** Watch (7/23/15)

**Legislation/Topic**

**H.R. 2770 (Rice) – The Keeping Our Travelers Safe and Secure Act**

**Background/Summary**

This bill would require the Transportation Security Administration (TSA) Administrator to develop and implement a preventative maintenance validation process for security-related screening technology at airports.

**Anticipated Impact/Discussion**

This bill is not expected to impact San Diego International Airport operations.

**Status:** 7/27/15 - Approved by the House on a vote of 380-0

**Position:** Watch (7/23/15)

**Legislation/Topic**

**H.R. 2776 (Cohen) – The Carry-On Freedom Act of 2015**

**Background/Summary**

This bill would direct the Secretary of Transportation to issue regulations that prevent airlines from reducing the size of carry-on luggage from the size standards utilized by airlines on June 8, 2015.

**Anticipated Impact/Discussion**

This bill is not expected to impact operations at San Diego International Airport.

*\*Shaded text represents new or updated legislative information*

**Status:** 6/15/15 – Introduced and referred to the House Committee on Transportation and Infrastructure

**Position:** Watch (7/23/15)

**Legislation/Topic**

**H.R. 2530 (Duckworth) – The Friendly Airports for Mothers Act of 2015**

**Background/Summary**

This bill would require large and medium hub airports to install and maintain post-security lactation areas at each airport terminal building. These areas must have a locking door, sitting area, flat surface, electrical outlet, accessibility compliant with the Americans with Disabilities Act (ADA), and must not be located in a restroom.

**Anticipated Impact/Discussion**

The legislation is not expected to require any changes to SDIA airport facilities as post-security lactation areas are already present.

**Status:** 5/22/15 – Referred to the House Committee on Transportation and Infrastructure

**Position:** Watch (7/23/15)

**Legislation/Topic**

**S. 1608 (Feinstein) – Consumer Safety Drone Act**

**Background/Summary**

This bill would require the Administrator of the Federal Aviation Administration to issue a regulation governing the operation of consumer drones. Specifically the regulation would include: limits on altitude for consumer drones, a means of preventing unauthorized operation within protected airspace, a system that enables the avoidance of collisions, a technological means to maintain safety in the event of compromised communications between drone and operator, a means to prevent tampering with safety mechanisms and educational materials for consumers.

**Anticipated Impact/Discussion**

The amendment would assist Authority operations staff in maintaining public safety and help prevent drone incursions on airport property and in the flight path of aircraft operating at SDIA.

**Status:** 6/18/15 – Introduced and referred to Senate Committee on Commerce, Science and Transportation

**Position:** Support (9/17/15)

*\*Shaded text represents new or updated legislative information*



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

**Item No.  
5**

Meeting Date: **OCTOBER 15, 2015**

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**Subject:**

**Approve Establishing the Date and Time of Board and ALUC Meetings for 2016, as Indicated in the Proposed 2016 Master Calendar of Board and Committee Meetings**

**Recommendation:**

Adopt Resolution No. 2015-0105, establishing the date and time of Board and ALUC meetings for 2016, as indicated in the proposed 2016 Master Calendar of Board and Committee Meetings.

**Background/Justification:**

Pursuant to the Ralph M. Brown Act (§54954(a)), a legislative body shall provide for the time and place for regular meetings by ordinance, resolution, or by-laws. The Board adopted Resolution No. 03-074R and Resolution No. 2007-0053, setting the date and time of Board and Committee meetings. The Board also adopted Resolution No. 03-058R, 2004-0028 and 2007-0089, setting the frequency of Committee meetings.

The proposed calendar was developed in accordance with the Ralph M. Brown Act and the criteria adopted by the Board. The objective is to provide consistency for public participation and the dissemination of information.

Meetings for the Audit and Executive Personnel and Compensation Committee are scheduled to accommodate review of external audits and the performance evaluations for the President/CEO, Chief Auditor and General Counsel, respectively.

A Special Board Meeting has been scheduled in February, to accommodate the anticipated Board Retreat.

The proposed 2016 Master Calendar of Board and Committee meetings is attached as Exhibit A.

**Fiscal Impact:**

Not applicable.

**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. Section 15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code Section 21065.
  
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Pub. Res. Code Section 30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

TONY R. RUSSELL  
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

RESOLUTION NO. 2015-0105

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY ESTABLISHING THE DATE AND TIME  
OF BOARD AND ALUC MEETINGS FOR 2016 AS  
INDICATED ON THE PROPOSED 2016 MASTER  
CALENDAR OF BOARD AND COMMITTEE  
MEETINGS

WHEREAS, pursuant to the Ralph M. Brown Act (§54954(a)), a legislative body shall provide for the time and place for regular meetings by ordinance, resolution, or by-laws; and

WHEREAS, Resolution No. 2007-0053 set the current date and time for Board and ALUC Meetings; and

WHEREAS, in accordance with Authority Policy 1.30(2), regular meetings shall be held at least once each month; regular meeting dates, time and location shall be set annually by Board resolution; and notice of the meetings shall be provided to the media and public as required by law; and

WHEREAS, the proposed calendar was developed in accordance with the Brown Act and the criteria adopted by the Board, with the objective of providing consistency for public participation and the dissemination of information.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves establishing the date and time of Board and ALUC meetings for 2016, as indicated on the proposed 2016 Master Calendar of Board and Committee Meetings (Exhibit A); 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 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

# DRAFT - 2016 MASTER CALENDAR OF BOARD AND COMMITTEE MEETINGS

**(REVISED 10-14-15)**

MONTH	ALUC/BOARD  Thursdays  9:00 AM	EXECUTIVE COMMITTEE  (Monday Preceding the Board meeting)  9:00 AM	AUDIT COMMITTEE  Mondays (Quarterly)  10:00 AM	EXECUTIVE PERSONNEL AND COMPENSATION COMMITTEE  3 <sup>rd</sup> Wednesdays  10:00 AM	FINANCE COMMITTEE  Meets with the Executive Committee  9:00 AM	CAPITAL IMPROVEMENT PROGRAM OVERSIGHT COMMITTEE  Quarterly  9:00 AM
January	21	11		<del>27</del> <b>28</b>	11	28
February	18	8	1		8	
February	26 & 27 Retreat					
March	17	7			7	
April	21	4			4	<b>28 &amp; Special Board Meeting for Capital Budget Workshop</b>
May	<del>23</del> <b>19</b> <b>Budget Workshop</b>	<del>16</del> <b>9</b>	2	25	<del>16</del> <b>9</b>	
June	23	13			13	
July	21	11			11	14
August						
September	15	<b>6</b>	<b>6</b>	<del>7</del> <b>TBD</b>	6	
October	20	10			10	27
November	17	7	21		7	
December	15	5			5	

**BOLD - Denotes a change in the regular schedule due to holidays and conflicts with other Board or Committee meetings.**



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

**Item No.  
6**

Meeting Date: **OCTOBER 15, 2015**

**Subject:**

**Reject the Claim of Maria Almirante**

**Recommendation:**

Adopt Resolution No. 2015-0106, rejecting the Claim of Maria Almirante.

**Background/Justification:**

On September 1, 2015, Maria Almirante filed a claim ("Attachment A") with the San Diego County Regional Airport Authority ("Authority") alleging that she sustained injuries when she and her grandson fell while riding an escalator in Terminal One at San Diego International Airport. Almirante claims damages in an unspecified amount.

On August 16, 2015, Almirante arrived at San Diego International Airport to take a Southwest Airlines flight with her grandson. She states she and her grandson had just stepped on the escalator when her grandson lost his balance and fell. Almirante tried to help him but ultimately fell herself before other passengers helped them both to their feet. Almirante did not get medical attention in San Diego, opting instead to report the incident to gate employees and continue their travel plans. Almirante did seek treatment at her destination.

Almirante's claim should be denied. An investigation into the incident revealed no dangerous or unsafe condition nor was there a claim of an unsafe or dangerous condition. A review of video revealed neither the claimant nor her grandson were holding a handrail at the time of the incident.

**Fiscal Impact:**

Not Applicable.

**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. CEQA: 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. Cal. Pub. Res. Code §15065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not Applicable.

**Prepared by:**

SUZIE JOHNSON  
GENERAL COUNSEL

ATTACHMENT A

FOR AUTHORITY CLERK USE ONLY	
Document No.:	CL-253
Filed:	9-1-15

SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
ACCIDENT OR DAMAGE CLAIM FORM

Please complete all sections.  
Incomplete submittals will be returned unprocessed.  
Use a typewriter or print in ink.

SDCRAA  
SEP 01 2015  
Corporate & Information Governance

1) Claimant Name: Marcia E. Almirante & Santonio B. Almirante - Keifer (grandson)

2) Address to which correspondence regarding this claim should be sent:  
759 Cholla Road.  
Chula Vista, Ca 9190 91910

Telephone No: (618) 733-1211 Date: Aug. 18, 2015

3) Date and time of incident: Aug 16, 2015 7:55 am

4) Location of incident: Escalator after Security Point

5) Description of incident resulting in claim: My Grandson & I had just stepped onto the escalator when he lost his balance first and fell backwards. I struggled to help him up and fell backwards as well. At that point neither of us were able to stand back up on our feet because the escalator continued to drag us upward. Finally, 2 other passengers helped my grandson and I up onto our feet. My plane was set to board at 8:25 am and I went straight to my assigned gate & reported the incident to the agent at the Southwest desk/booth who reported the incident to another airport employee. I did not get his name, but said he would fill out the claim and mark my name. Due to having to

6) Name(s) of the Authority employee(s) causing the injury, damage or loss, if known: board, I was not able to see a doctor in San Diego, saw a Dr. in Ohio.

7) Persons having firsthand knowledge of incident:

Witness (es)	Physician(s): <u>Dr. Valerie Powers DO</u>
Name: <u>Southwest agent at departing gate &amp; agent responsible for accident &amp; reports. Plus</u>	Name:
Address: <u>Two passengers who helped us at escalator</u>	Address: <u>18181 Pearl Rd. B104, Strongsville Ohio 44136</u>
Phone: <u>Hasbani at security point</u>	Phone: <u>440-238-3511</u>
	Plus:
	<u>Kaiser (Southern California) Member Services</u>

Antonio Almirante  
759 Cholla Rd.  
Chula Vista Ca Phone (618) 732-7348 (1-800 464-4000)

ATTACHMENT A

8) Describe property damage or personal injury claimed:

Due to bad fall on escalator, I had multiple contusions and abrasions on both legs, (R) hip, (R) elbow. In addition, the fall aggravated my sciatica condition.

9) Owner and location of damaged property or name/address of person injured:

Marea E.P. Almerante  
759 Cholla Rd.  
Chula Vista, California 91910

10) Detailed list and amount of damages claimed as of date of presentation of claim, including prospective damages. If amount exceeds \$10,000.00, a specific amount need not be included.

Do not know yet the total

Dated: Aug 18, 2015

Claimant: Marea E.P. Almerante  
(Signature)

**Notice to Claimant:**

Where space is insufficient, please use additional paper and identify information by proper section number.

Return completed form to:

San Diego County Regional Airport Authority  
Tony Russell, Director, Corporate & Information Governance/Authority Clerk  
Corporate & Information Governance  
P.O. Box 82776  
San Diego, CA 92138-2776

RESOLUTION NO. 2015-0106

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY REJECTING THE CLAIM OF MARIA  
ALMIRANTE.

WHEREAS, on September 1, 2015, Maria Almirante filed a claim with the San Diego County Regional Airport Authority for injuries she claims were the result of her fall on an escalator in Terminal One at San Diego International Airport on August 16, 2015; and

WHEREAS, at its regular meeting on October 15, 2015, the Board considered the claim filed by Maria Almirante and the report submitted to the Board, and found that the claim should be rejected.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby rejects the claim of Maria Almirante; and

BE IT FURTHER RESOLVED the Board FINDS that this 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 its regular meeting this 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



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

**Item No.  
7**

Meeting Date: **OCTOBER 15, 2015**

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**Subject:**

**Approve and Authorize an Increase to the Contract Duration for the Terminal Link Road Project at San Diego International Airport**

**Recommendation:**

Adopt Resolution No. 2015-0107, approving and authorizing an increase to the contract duration from 450 days to 510 days, for Project No. 104134, Terminal Link Road at San Diego International Airport.

**Background/Justification:**

On July 7, 2014, the San Diego County Regional Airport Authority Board ("Board") awarded and authorized the President/CEO to execute a contract with Hazard Construction Company in the amount of \$8,889,727.75 for Project No. 104134, Terminal Link Road at San Diego International Airport [Resolution No. 2014-0071]. On July 23, 2015, per Policy 5.02(4) (b) (iii), the Board approved and authorized an increase in the President/CEO's change order authority from \$355,589 to an amount not to exceed \$670,000, for Project No. 104134, Terminal Link Road at San Diego International Airport [Resolution 2015-0077]. The increase was required to adequately address the contractor's needs associated with unexpected site conditions along N. Harbor Drive at the employee parking lot intersection and the associated redesign to address underground utility conflicts with SDG&E facilities.

While it was believed that these issues could have been addressed within the original contract duration plus 90 additional days authorized by the President/CEO, it is now apparent that additional time is required to complete the project. In particular, the team had to revise an existing underground duct bank, which was found to be an irregular configuration and required additional time to revise and receive approval by SDG&E. This unforeseen condition has hindered progress. SDG&E is now on site and expected to complete the removal of their existing equipment to allow the Authority to complete its street improvements by November 20<sup>th</sup>, 2015.

These changes necessitate an increase in the Hazard Construction Company contract duration from 450 days to 510 days. Additional contractor funds are not being requested at this time and are not anticipated through the completion of this project. The project is within the increased change order limits per the July 2015 Board action. Contingency funds are being used to cover this unexpected work.

Pursuant to San Diego County Regional Airport Authority ("Authority") Policy 5.02 (4)(b)(iii), Board approval is required to authorize the President/CEO to execute change orders increasing the contract time for completion beyond 90 calendar days.

**Fiscal Impact:**

Adequate funds for the contract are included within the Board approved FY2016-FY2020 Capital Program Budget in Project No. 104134, North Side Interior Road and Utilities. Sources of funding for this project includes Airport Revenue Bonds, Authority Cash and Special Facility Bonds

**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. CEQA: The proposed Terminal Link Road project was evaluated subject to CEQA, Pub. Res. Code §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 North Side 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. California Coastal Act Review: The proposed Terminal Link Road project requires review by the California Coastal Commission in accordance with the California Coastal Act. An application for the coastal development permit was submitted to the California Coastal Commission and was approved on August 14, 2013.

**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.14 was applied. Policy 5.14 establishes separate goals for the participation of: (1) small businesses; (2) local businesses; and, (3) service disabled veteran owned small businesses (SDVOSB). The

local business participation goal can only be applied when the overall local business participation of all Authority contracts at the time of solicitation is less than 60%. The maximum preference applied under Policy 5.14 is seven percent (7%): three percent (3%) for small business participation; two percent (2%) for local business participation; and, two percent (2%) for SDVOSB participation. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$100,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid. When bid price is not the primary selection criteria, the preference is only applied to determine which proposers are interviewed for final consideration. Per Policy 5.14, the preference is not applied in the final selection.

In accordance with Policy 5.14, Hazard Construction Company partially met the SBE goal of 37% with 14% certified small business participation for a 1% certified small business preference and partially met the SDVOSB goal of 3% for a 1% SDVOSB participation preference. At the time of the solicitation it was determined that the Authority's overall local business participation exceeded 60%, therefore no preference was applied for local business participation.

**Prepared by:**

KEITH WILSCHETZ  
DIRECTOR, AIRPORT PLANNING

RESOLUTION NO. 2015-0107

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY, APPROVING AND AUTHORIZING AN  
INCREASE TO THE CONTRACT DURATION FROM  
450 DAYS TO 510 DAYS, FOR PROJECT NO.  
104134, TERMINAL LINK ROAD AT SAN DIEGO  
INTERNATIONAL AIRPORT

WHEREAS, on July 7, 2014, the San Diego Regional Airport Authority ("Authority") Board ("Board") awarded a contract to Hazard Construction Company in the amount of \$8,889,727.75 for Terminal Link Road at San Diego International Airport [Resolution 2014-0071]; and

WHEREAS, on July 23, 2015, per Policy 5.02(4)(b)(iii), the Board approved and authorized an increase in the President/CEO's change order authority from \$355,589 to an amount not to exceed \$670,000, for Project No. 104134, Terminal Link Road at San Diego International Airport [Resolution 2015-0077]; and

WHEREAS, unexpected site conditions along N. Harbor Drive at the employee parking lot intersection and the associated redesign to address underground utility conflicts with SDG&E facilities and associated coordination with SDG&E have continued to preclude progress in this area. This has delayed approval and certification by SDG&E, delaying the removal of the existing equipment to allow street improvements to be completed; and

WHEREAS, it was believed that these issues could be addressed within the original contract duration plus 90 additional days authorized by the President/CEO, it is apparent that additional time is required to complete the project; and

WHEREAS, pursuant to Authority Policy 5.02 (4)(b)(iii), Board approval is required to authorize the President/CEO to execute change orders increasing the contract time for completion beyond 90 calendar days. Therefore, staff is requesting that for the Hazard Construction Company contract, Policy 5.02(4)(b)(iii) be waived and the authorization limit for the President/CEO be approved, authorizing an increase to the contract duration from 450 days to 510 days for completion beyond 90 days.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President to execute change orders increasing the contract duration from 450 days to 510 days, for Project No. 104134, Terminal Link Road at San Diego International Airport; and



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

BE IT FURTHER RESOLVED that the Board finds that the Terminal Link Road 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 North Side 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 project will require review by the California Coastal Commission in accordance with the California Coastal Act.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



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

**Item No.  
8**

Meeting Date: **OCTOBER 15, 2015**

**Subject:**

**Award a Contract to Fordyce Construction, Inc., for Interim Waste Storage Facility at San Diego International Airport**

**Recommendation:**

Adopt Resolution No. 2015-0108, awarding a contract to Fordyce Construction, Inc. in the amount of \$156,822.00 for Project No. 104192, Interim Waste Storage Facility at San Diego International Airport.

**Background/Justification:**

This project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2016 Capital Improvement Program ("CIP").

The Authority is required by statute and regulation to properly manage interim waste at San Diego International Airport ("SDIA"). The current facility and its location, has been temporary since 2003 and is now sub-standard for an airport of SDIA's size. This project will provide for the construction of an adequate facility to store, segregate, and manage interim waste. The facility will consist of a prefabricated storage unit to safely store interim waste prior to transport to disposal facilities in accordance with statutes and regulations (Attachment A).

This contract was advertised on August 19, 2015, and one sealed bid was opened on September 24, 2015. The following bid was received: (Attachment B)

<b>Company</b>	<b>Total Bid</b>
Fordyce Construction, Inc.	\$156,822.00

The Engineer's estimate is \$158,000

The low bid of \$156,822.00, is responsive, and Fordyce Construction, Inc., is considered responsible. Staff recommends award to Fordyce Construction, Inc., in the amount of \$156,822.00.

**Fiscal Impact:**

Adequate funds for Interim Waste Storage Facility are included within the Board approved FY2016-FY2020 Capital Program Budget in Project No. 104192. Source of funding for this project will be Airport Cash.

**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. CEQA: 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. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.14 was applied. Policy 5.14 establishes separate goals for the participation of: (1) small businesses; (2) local businesses; and, (3) service disabled veteran owned small businesses (SDVOSB). The local business participation goal can only be applied when the overall local business participation of all Authority contracts at the time of solicitation is less than 60%. The maximum preference applied under Policy 5.14 is seven percent (7%): three percent (3%) for small business participation; two percent (2%) for local business participation; and, two percent (2%) for SDVOSB participation. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid. When bid price is not the primary selection criteria, the preference is only applied to determine which proposers are interviewed for final consideration. Per Policy 5.14, the preference is not applied in the final selection.

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**Page 3 of 3**

In accordance with Policy 5.14, Fordyce Construction, Inc. met the SBE goal of 37% with 100% certified small business participation for 3% certified small business preference and did not meet the SDVOSB goal of 3% for a 0% SDVOSB participation preference. At the time of the solicitation it was determined that the Authority's overall local business participation exceeded 60%, therefore no preference was applied for local business participation.

**Prepared by:**

IRAJ GHAEMI  
DIRECTOR, FACILITIES DEVELOPMENT



Interim Waste Storage Facility

Google

ATTACHMENT B  
Bid Tabulation Form

**BID TABULATION**  
**CIP 104192 - INTERIM WASTE STORAGE FACILITY**

BIDS OPENED: September 24, 2015 @ 2:00 PM

ENGINEERS ESTIMATE: \$158,000.00

CONTRACTOR:		<i>Low Bidder</i>			
ADDRESS:		<b>Fordyce Construction, Inc.</b> 9932 Prospect Ave #138 Santee, CA 92071			
GUARANTEE OF GOOD FAITH:		International Fidelity Insurance Company			
BID SCHEDULE A		1			
Bid Item	Item Description	Unit of Measure	Quantity	Unit Cost	Total In Figures
1	Interim Waste Storage Facility	Lump Sum	LS	LS	\$ 146,821.00
2	Allowance for Reimbursement of Unknown Conditions	Allowance	Allowance	Allowance	\$ 10,000.00
3	Allowance for 1D- 14 Utility Fees	Lump Sum	LS	LS	\$ 1.00
					\$ -
<b>TOTAL BID SCHEDULE A =</b>					<b>\$156,822.00</b>
	Addendum No.	Acknowledged by Bidder:			
	1	Yes			
	Notes:				
<b>Policy 5.14 Points and Bid Adjustment Amount Table</b> Points      Bid Adjustment Amount Based on Low Bid					
5 or 5%	\$7,841.10	Points	Adjustment Amount (Enter Amount from Table Based on Number of Points)		Adjusted Bid Amount
4 or 4%	\$6,272.88				
3 or 3%	\$4,704.66	3	\$4,704.66		\$152,117.34
2 or 2%	\$3,136.44				
1 or 1%	\$1,568.22				

RESOLUTION NO. 2015-0108

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY, AWARDING A CONTRACT TO  
FORDYCE CONSTRUCTION, INC., IN THE  
AMOUNT OF \$156,822.00 FOR PROJECT NO.  
104192, INTERIM WASTE STORAGE FACILITY AT  
SAN DIEGO INTERNATIONAL AIR PORT

WHEREAS, this project is a San Diego County Regional Airport Authority ("Authority") Board ("Board") approved project in the FY2016 Capital Improvement Program ("CIP"); and

WHEREAS, the Authority is required by statute and regulation to properly manage interim waste at San Diego International Airport ("SDIA"); and

WHEREAS, the current facility and its location, has been temporary since 2003 and is now sub-standard for an airport of SDIA's size; and

WHEREAS, this project will provide for the construction of an adequate facility to store, segregate, and manage interim waste; and

WHEREAS, the facility will consist of a prefabricated storage unit to safely store interim waste prior to transport to disposal facilities in accordance with statutes and regulations; and

WHEREAS, the Request for Bids for this project was advertised on August 19, 2015; and

WHEREAS, on September 24, 2015, the Authority opened sealed bids received in response to the Bid Solicitation Package; and

WHEREAS, the low bidder, Fordyce Construction, Inc., submitted a bid in the amount of \$156,822.00; and

WHEREAS, Authority's staff has duly considered Fordyce Construction, Inc.'s bid, and has determined Fordyce Construction, Inc. is responsible, and that its bid is responsive in all respects; and

WHEREAS, the Board believes that it is in the best interest of the Authority and the public that it serves, for the Board to award Fordyce Construction, Inc., the contract for Project No. 104192, Interim Waste Storage Facility, upon the terms and conditions set forth in the Bid Solicitation Package.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby awards a contract to Fordyce Construction, Inc., in the amount of \$156,822.00 for Project No. 104192, Interim Waste Storage Facility at San Diego International Airport; and

BE IT FURTHER RESOLVED that the Authority's President/CEO or designee hereby is authorized to execute and deliver such contract to Fordyce Construction, Inc.; and

BE IT FURTHER RESOLVED that the San Diego County Regional Airport Authority and its officers, employee, and agents are hereby authorized, empowered, and directed to do and perform such acts as may be necessary or appropriate in order to effectuate fully the foregoing resolutions; and

BE IT FURTHER RESOLVED that the Board finds 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 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL





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

**Item No.  
9**

Meeting Date: **OCTOBER 15, 2015**

**Subject:**

**Authorize the President/CEO to negotiate and execute an agreement with Polsinelli LLP for Bond Disclosure Legal Services**

**Recommendation:**

Adopt Resolution No. 2015-0109, authorizing the President/CEO to negotiate and execute an agreement with Polsinelli LLP for bond disclosure legal services for a term of three years with two one-year options to renew and a not to exceed amount of \$300,000.

**Background/Justification:**

On June 16, 2015, the Authority released a Request for Proposals ("RFP") to obtain the legal services of one or more qualified law firms to assist the General Counsel with regard to bond disclosure legal services. Responses to the RFP were due on July 17, 2015.

Four law firms submitted timely proposals in response to the RFP. They were: Kutak Rock LLP; Nixon Peabody LLP; Schiff Hardin LLP; Polsinelli LLP.

An evaluation panel, comprised of four attorneys from the Office of General Counsel and one member of the Business and Financial Management department, reviewed the proposals submitted and invited all four firms to interview.

On September 14, 2015, the evaluation panel, with a representative from the Procurement Department in attendance to facilitate interviews, reviewed the written proposals and documents submitted and interviewed representatives from the four firms. At the conclusion of the interviews, the evaluation panel scored the firms and concluded that the best and most responsive proposer was Polsinelli LLP. The General Counsel recommends a new legal services agreement for bond disclosure legal services be awarded by the Board to Polsinelli LLP. It is requested that the Board authorize the President/CEO to execute an agreement upon approval as to legal form by the General Counsel. The matrix below reflects the evaluation of the panel members:

Firms	Panelist		Panelist			Total	Final Rank
	1	Panelist 2	Panelist 3	4	Panelist 5		
Nixon Peabody	2	3	2	2	3	12	2
Schiff Hardin	4	4	4	4	4	20	4
Kutak Rock	3	2	3	3	1	12	2
Polsinelli	1	1	1	1	2	6	1

<b>Combined Scores</b>	<b>SB Preference</b>	<b>Counsel Questionnaire</b>	<b>Interview</b>	<b>Total</b>
Nixon Peabody	0	1120	1980	3100
Schiff Hardin	0	1040	1200	2240
Kutak Rock	0	1520	1920	3440
Polsinelli	0	1800	2820	4620

Polsinelli is one of the most active law firms in the public finance marketplace, having served in all key counsel roles in connection with the issuance of billions of dollars of bonds and other obligations and hundreds of financings for various cities and their local agencies and states in connection with airport, port, transportation, water, power, wastewater, pollution control, healthcare, park facilities and education, including airport system revenue bonds, water system financings, mortgage revenue bonds, industrial development bonds, bonds issued on behalf of non-profit 501(c)(3) entities, commercial paper and transactions involving lease-purchase and other asset lease financings, swap transactions and other derivative financings, and the preparation of materials addressing continuing disclosure requirements. Polsinelli attorneys have expertise in all aspects of public finance, and airport-specific knowledge and experience. Polsinelli attorneys have extensive experience and knowledge of the laws and procedures at each level of government. At the state and local level, they have worked with planning commissions, city councils, county commissioners, economic development organizations, and other entities to achieve success for its clients. Polsinelli's public finance attorneys have extensive experience, having been retained to assist in numerous governmental issuers and other public finance participants.

In California, Polsinelli's public finance team has served as Disclosure Counsel to, among others:

- San Diego County Regional Airport Authority
- Los Angeles World Airports
- San Francisco Airport Commission
- State of California
- State of California Public Works Board
- California Department of Veterans Affairs
- California Infrastructure and Economic Development Bank
- Alameda Corridor Transportation Authority
- City of Long Beach
- City of Gardena
- City of Pasadena
- Los Angeles Department of Water and Power
- Metropolitan Water District of Southern California
- Harbor Department of the City of Los Angeles

**Page 3 of 4**

Subject to the Board's authorization, the new agreement with Polsinelli LLP will have a term of three (3) years, with two (2) additional one-year options. The options to extend the term may be exercised at the discretion of the President/CEO and General Counsel. The amount payable under the agreement will not exceed three hundred thousand dollars (\$300,000).

**Fiscal Impact:**

Adequate funding for this agreement is included in the adopted FY 2016 and conceptually approved FY 2017 Operating Expense Budgets within the Contractual Services line item.

**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. CEQA: 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. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

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**Page 4 of 4**

This contract does not utilize federal funds and provides limited opportunities for sub-contractor participation; therefore, at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. Policy 5.12 provides a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance to Policy 5.12, the recommended firm Polsinelli LLP received 0% small business preference.

**Prepared by:**

BRETON K. LOBNER  
GENERAL COUNSEL

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RESOLUTION NO. 2015-0109

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE AN AGREEMENT WITH POLSINELLI LLP FOR BOND DISCLOSURE LEGAL SERVICES FOR A TERM OF THREE YEARS WITH TWO ONE-YEAR OPTIONS TO RENEW AND A NOT TO EXCEED AMOUNT OF \$300,000

WHEREAS, the Authority has a continuing need for professional legal services in matters pertaining to bond disclosure; and

WHEREAS, on June 16, 2015, the Authority released a Request for Proposals ("RFP") to obtain the legal services of one or more qualified law firms to assist the General Counsel with regard to bond disclosure legal services; and

WHEREAS, the RFP specified that the Authority intended to enter an agreement with one or more law firms where said agreement would have a term of three (3) years with two (2) options, exercisable at the discretion of the General Counsel and the President/CEO, with a maximum amount payable under the agreement of three hundred thousand dollars (\$300,000); and

WHEREAS, the Authority received four proposals in response to the RFP; and

WHEREAS, the Authority's evaluation panel, after reviewing the proposals and interviewing all four law firms, recommended awarding an agreement to Polsinelli LLP; and

WHEREAS, the Board determines that awarding an agreement to Polsinelli LLP is in the best interest of the Authority.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the President/CEO to negotiate and execute an agreement with Polsinelli LLP, for bond disclosure legal services for a term of three years with two one-year options to renew at the discretion of the General Counsel and the President/CEO, with a compensation amount and a not to exceed amount of \$300,000; 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 Control Act (CEQA) Pub. Res. Code Section 21065; and is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

PASSED, ADOPTED AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular Board meeting this 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



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

**Item No.  
10**

Meeting Date: **OCTOBER 15, 2015**

**Subject:**

**Approve and Authorize the President/CEO to Execute amendments to the Concession Leases between HG-CV-Epicure-Martinez San Diego JV and the Authority**

**Recommendation:**

Adopt Resolution No. 2015-0110, related to Lease-Package 2, and Resolution No. 2015-0111, related to Lease-Package 7 approving and authorizing the President/CEO to, respectively,: 1) execute an amendment to the Concession Lease between HG-CV-Epicure-Martinez JV and the Authority to remove concession locations, add additional concession locations, require additional capital investment and extend the term of the Lease; and 2) execute an amendment to the Concession Lease between HG-CV-Epicure-Martinez JV and the Authority to extend the term of the Lease.

**Background/Justification:**

On August 4, 2011, the Board awarded a concession lease for retail package #2 ("Lease- Package 2") to HG-CV-Epicure-Martinez San Diego JV (hereinafter "Hudson") for operation of concession locations within Terminal 1, Terminal 2W and the Commuter Terminal at San Diego International Airport ("Airport") [Resolution No. 2011-0092]. Lease-Package 2 was amended in December, 2012 to allow changes to Exhibit A to reflect additions/deletions of the leased premises as a result of temporary locations without first obtaining Board approval as long as such additions/deletions did not materially change the financial or structural terms and conditions of the Lease. Lease-Package 2 includes the following concessions spaces:

Lease-Package 2			
Location	Concept	Store Name	Status
T2W-Core	Accessories	Sunglass Hut	Opened 8/12/13
T2W-Core	Bookstore	Warwick's	Opened 8/12/13
T2W-East	Newsstand and Sundries	Gaslamp Quarter News	Development deferred

T1 Post-Security	Newsstand and Sundries	Hudson News	Opened 9/11/13
CT Post-Security	Newsstand and Sundries	Lindbergh News	Opened 12/10/13
CT Pre-Security	Newsstand and Sundries w/Gourmet Coffee	San Diego Bay News and Café	Opened 4/23/13

On August 4, 2011, the Board awarded a concession lease for retail package #7 (Lease-Package-7) to HG-CV-Epicure-Martinez San Diego JV (hereinafter "Hudson") for operation of concession locations within Terminal 1 and Terminal 2W at the Airport [Resolution No. 2011-0097]. Lease-Package 7 was amended in December, 2012, to allow changes to Exhibit A to reflect additions/deletions of the leased premises as a result of temporary locations without first obtaining Board approval as long as such additions/deletions did not materially change the financial or structural terms and conditions of the Lease.

Lease-Package 7 includes the following concession spaces:

Lease-Package 7			
Location	Concept	Store Name	Status
T2W-Pre-Security	Newsstand and Sundries	Lindbergh Field News	Opened 1/14/14
T1-Pre-Security	Electronics and gadgets	Tech on the Go	Opened 11/12/13
T2W West	Newsstand and Sundries	Gaslamp News	Opened 8/12/13

In June, 2015, the Commuter Terminal (CT) closed to the traveling public as a result of airline relocations. Consequently, Hudson was required to close its two CT concession locations included in Lease-Package 2, requiring the Authority to compensate Hudson for the unamortized improvement value of the locations (estimated to be \$613,460). Additionally, terminal building conditions and circumstances (e.g. design changes related to the Green Build) did not make it prudent for the originally contemplated Gaslamp Quarter News to be built as required by Lease-Package 7. Therefore, staff was tasked with finding alternatives for the three locations. Working with Hudson, the former Delta Club room located within T2W-East as shown on the attached Exhibit was identified as a viable alternative location for the three concepts described below.



Location	Concept	Store Name
T2W-East	Specialty Retail Surfing and Beach Products	Rip Curl
T2W-East	Electronics and Gadgets	Tech on the Go*
T2W-East	Newsstand and Sundries	Hudson News*

\*Tech on the Go and Hudson News is contemplated to be a combined store with a shared register

Hudson is a joint venture entity that operates all concession locations under a joint venture structure consisting of the following joint venture partners: Hudson Group Retail, LLC (71% ownership), Concourse Ventures, Inc. (3%), Epicure Group International, LLC (13% ownership), and Martinez Niebla, LLC (13% ownership-). Epicure Group International, LLC and Martinex Nibela, LLC are both certified Airport Disadvantaged Business Enterprise (ACDBE) firms resulting in a 26% ACDBE participation rate for Lease-Package 2 and Lease-Package 7. Each of the ACDBE firms performs a distinct, clearly-defined portion of the work that approximates its ownership percentage. Under the joint venture agreement, the joint venture partners have flexibility to modify the roles of each joint venture partner when circumstances change. The capital investment made by each joint venture partner is applied to all concession locations under each Lease, rather than specific concession locations and profits/losses being split proportionately between the joint venture partners. Therefore, changes in store locations, traffic patterns, airline locations do not impact any one partner, but rather the joint venture as a single entity. As changes occur, the roles of the joint venture partners can be adjusted so that each joint venture partner maintains its ownership share and share of the work under the joint venture agreement. The proposed Amendments do not amend the ACDBE participation levels required under the concession Leases.

Staff recommends amending both Leases to align Lease expiration dates as well as grant new locations and terminate other locations. Specifically, staff recommends that the Board authorize the President/CEO to execute an amendment to Lease-Package 2 that results in the following modifications:

1. Amend Exhibit A to the Lease to add the T2W-East space shown on the attached Exhibit.
2. Amend Exhibit A to the Lease to remove the 2 CT locations.
3. Amend Exhibit A to the Lease to remove the T2W-East Gaslamp Quarter News.
4. Amend the term of the Lease to expire no later than March 31, 2022 (effectively granting an extension of approximately 15 months. This extension is granted as full compensation for the closed CT locations and unamortized improvements for the CT locations.); Amend the Lease to require Hudson to invest no less than \$1.0 Million in capital expenditures for the newly added premises.

5. Amend the term of the Lease to authorize the President/CEO, in her sole discretion, to exercise option periods to extend the term for a period not to exceed five years resulting in a termination date of March 31, 2027. The purpose of allowing option years is to bridge the gap of time, if necessary, between lease expiration and a new terminal development.

Further, Staff recommends that the Board authorize the President/CEO to execute an amendment to Lease-Package 7 that results in the following modifications:

1. As compensation for the closed CT locations and unamortized improvements for the CT locations, extend the term of Lease-Package 7 to expire no later than March 31, 2022, (effectively granting an extension of approximately 14 months); and
2. Amend the term of the Lease to authorize the President/CEO, in her sole discretion, to exercise option periods to extend the term for a period not to exceed five years resulting in a termination date of March 31, 2027. The purpose of allowing option years is to bridge the gap of time, if necessary, between lease expiration and a potential new terminal development.

**Fiscal Impact:**

The proposed Amendments grant a commensurate lease term extension to allow Hudson appropriate business opportunity to recover: 1) the unamortized improvement costs the Authority would otherwise have had to compensate Hudson for the CT closure; and 2) the \$1.0 Million capital investment for the newly assigned concession locations.

**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. CEQA: 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. Cal. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

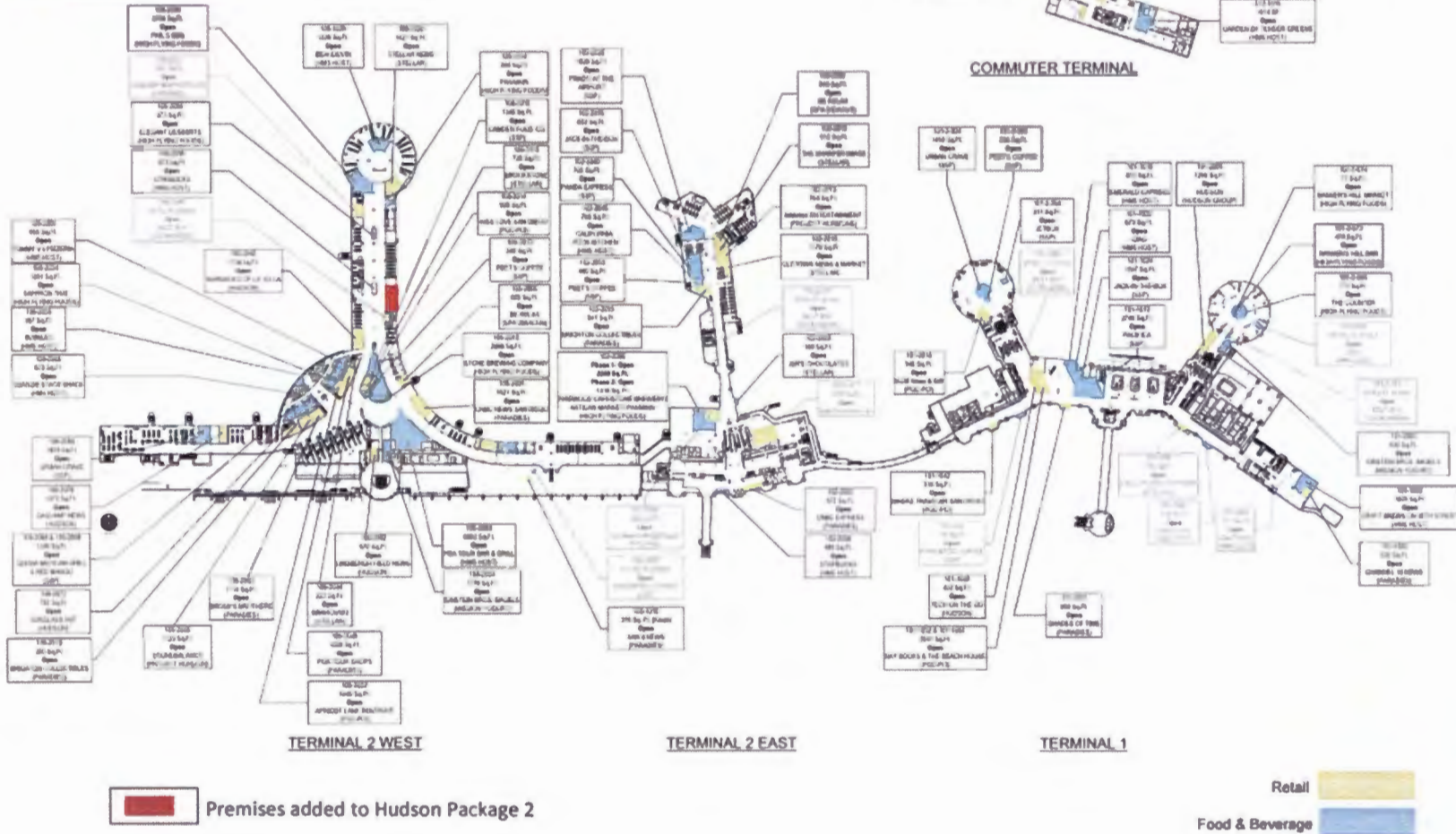
**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

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

**Prepared by:**

ERIC PODNIEKS  
PROGRAM MANAGER, REAL ESTATE AND CONCESSIONS



RESOLUTION NO. 2015-0110

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AMENDMENT TO THE CONCESSION LEASE BETWEEN HG-CV-EPICURE-MARTINEZ JV AND THE AUTHORITY TO REMOVE CONCESSION LOCATIONS, ADD ADDITIONAL CONCESSION LOCATIONS, REQUIRE ADDITIONAL CAPITAL INVESTMENT AND EXTEND THE TERM OF THE LEASE

WHEREAS, on August 4, 2011, the Board awarded a non-exclusive concession lease ("Lease-Package 2") to HG-CV-Epicure-Martinez San Diego JV ("Hudson") to operate concession locations identified in Retail Package 2 at San Diego International Airport ("Airport") [Resolution No. 2011-0092]; and

WHEREAS, Lease-Package 2 includes 6 concession locations, 2 of which are located in the Commuter Terminal ("CT") and 1 located in Terminal 2W; and

WHEREAS, the CT closed to the traveling public in June 2015, and resulted in the closure of two concession locations under Lease-Package 2 located within the CT; and

WHEREAS, the Terminal 2W Gaslamp Quarter News location included in Lease-Package 2 was not constructed as part of the regular build-out of Hudson; and

WHEREAS, Lease-Package 2 provides that in the event of termination by the Authority, the Authority may pay Hudson its unamortized investment in the terminated locations; and

WHEREAS, the Authority and Hudson are parties to a second non-exclusive concession lease ("Lease-Package 7") to operate concession locations identified in Retail Package 7 [Resolution No. 2012-0097]; and

WHEREAS, the Authority and Hudson desire to amend Lease-Package 2 to reflect: (1) the removal of three concession locations; (2) the addition of three new concession locations; (3) a requirement that Hudson invest capital in the three new concession locations; (4) the extension of the term of the Lease, and (5) that the amendment to Lease-Package 2 and Lease-Package 7 reflected in Resolution No. 2015-0111 is full compensation for the forfeited T2W location and unamortized improvements for the CT locations contained in Lease-Package 2; and

WHEREAS, the Board finds it is in the best interest of the Authority to make changes to Lease Package-2 described herein.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to negotiate and execute an amendment to the Lease-Package 2 to: (1) remove the two CT locations and the Terminal 2W Gaslamp Quarter News location from the leased premises; (2) add 3 concession locations in T2W-East to the leased premises; (3) require Hudson to invest no less than \$1.0 Million in capital expenditures for the 3 newly-added concession locations; (4) extend the Lease term to expire no later than March 31, 2022, with an option to extend for up to 5 additional years at the sole discretion of the President/CEO; and (5) include a provision indicating that the amendment to Lease-Package 2 and Lease-Package 7 described in Resolution No. 2015-0111 is full compensation for the forfeited T2W location and unamortized improvements for the CT locations.

BE IT FURTHER RESOLVED that the Board 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 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL

RESOLUTION NO. 2015-0111

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY APPROVING AND AUTHORIZING THE  
PRESIDENT/CEO TO EXECUTE AN AMENDMENT  
TO THE CONCESSION LEASE BETWEEN HG-CV-  
EPICURE-MARTINEZ JV AND THE AUTHORITY TO  
EXTEND THE TERM OF THE LEASE

WHEREAS, on August 4, 2011, the Board awarded a non-exclusive concession lease ("Lease-Package 7") to HG-CV-Epicure-Martinez San Diego JV ("Hudson") to operate concession locations identified in Retail Package 7 at San Diego International Airport ("Airport") [Resolution No. 2011-0097]; and

WHEREAS, on August 4, 2011, the Board awarded a second non-exclusive concession lease ("Lease-Package 2") to Hudson to operate concession locations identified in Retail Package 2 at the Airport [Resolution No. 2011-0092]; and

WHEREAS, the Commuter Terminal ("CT") closed to the traveling public in June 2015, and resulted in the closure of two concession locations under Lease-Package 2 located within the CT; and

WHEREAS, the Terminal 2W Gaslamp Quarter News location included in Lease-Package 2 was not constructed as part of the regular build-out of Hudson; and

WHEREAS, both Lease-Package 7 and Lease-Package 2 provide that in the event of termination by the Authority, the Authority may pay Hudson its unamortized investment in the terminated locations; and

WHEREAS, the Authority and Hudson desire to amend Lease-Package 7 to reflect: (1) the extension of the term of the Lease, and (2) that the amendment to Lease-Package 7, along with an amendment to Lease-Package 2 reflected in Resolution No. 2015-0110, is full compensation for the forfeited T2W location and unamortized improvements for the CT locations; and

WHEREAS, the Board finds it is in the best interest of the Authority to make changes to Lease-Package 7 described herein.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to negotiate and execute an amendment to Lease-Package 7 to: (1) extend the Lease term to expire no later than March 31, 2022, with an option to extend for up to 5 additional years at the sole discretion of the President/CEO; and (2) include a provision indicating that the amendments to Lease Package-7 and Lease-Package 2 are full compensation for the forfeited T2W location and unamortized improvements for the CT locations.

BE IT FURTHER RESOLVED that the Board 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 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL





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

**Item No.  
11**

Meeting Date: **OCTOBER 15, 2015**

**Subject:**

**Authorize the President/CEO to Consent to a Rental Car Concession Industry Agreement and Corresponding Third-Party Operations and Maintenance Agreement for Ongoing Operating and Maintenance Responsibilities for the Rental Car Center**

**Recommendation:**

Adopt Resolution No. 2015-0112, and Resolution No. 2015-0113, respectively authorizing the President/CEO to: 1) negotiate and execute a consent to a third-party operations and maintenance agreement between the on-airport rental car companies and CONRAC Solutions LLC for ongoing operations and maintenance responsibilities for the rental car center facility; and 2) negotiate and execute a consent to a rental car concession industry agreement to address operating and maintenance responsibilities among the on-airport rental car companies

**Background/Justification:**

The Board adopted Resolution No. 2013-0116 on October 3, 2013 approving the Rental Car Center Lease (Lease). Nine different rental car companies (RACs) have executed the Lease representing sixteen authorized brands. Please see table below:

Company	Authorized Brands
Avis Budget Car Rental, LLC	AVIS, Zipcar
*Advantage Opco, LLC	Advantage, *EZ Rent A Car
BW-Budget-SDA, LLC	Budget
Enterprise Holdings, Inc.	Enterprise, Alamo, National
Fox Rent A Car, Inc.	Fox
The Hertz Corporation	Hertz, Dollar, Thrifty, Firefly
Midway Car Rental, Inc.	Midway
Nevada Lease and Rentals, Inc.	Payless
Sixt Rent A Car, LLC	Sixt

\* EZ Rent A Car was formerly an independent company but was acquired by Advantage Opco, LLC

The Lease requires the RACs to establish a method to operate and maintain the Rental Car Center (RCC) facility including but not limited to the fueling system, building fixtures, common areas, utilities, and landscaping.

The RACs have established a Rental Car Concession Industry Agreement (Participation Agreement) and a Third-Party Management Agreement to fulfill and carry out their Lease obligations.

1. **Participation Agreement:** The parties to the Participation Agreement are all on-airport RACs who are subject to a Lease. The Authority is not a party to the Participation Agreement, however the Authority's consent is required.

The Participation Agreement outlines the process and procedures for the RACs to, among other things, form a management committee, conduct industry meetings, establish voting practices, address common expense allocations, outline membership criteria, and establish responsibilities for operational and maintenance areas.

The term of the Participation Agreement is coterminous with the Lease (approximately 30 years). All future on-airport RACs are required to enter into this Participation Agreement.

The draft Participation Agreement is attached as Exhibit A. Staff has negotiated and developed the terms of the Participation Agreement with the RACs. Staff does not anticipate the need to materially amend the provisions of the Participation Agreement attached as Exhibit A

2. **Third Party Facility Management Agreement (FMA):** The parties to the FMA are all on-airport RACs and CONRAC Solutions, LLC. The FMA outlines the responsibilities for management and operation of the RCC. Similar to the Participation Agreement, the Authority is not a party to the FMA, rather, the Authority's consent is required.

CONRAC Solutions is a third party management firm responsible for performing the operations and maintenance responsibilities on behalf of the RACs for the RCC that are set forth in the Lease. The FMA also details how the RAC's will compensate CONRAC Solutions for its performance of the operation and maintenance duties.

The term of the FMA is five years with four (4) three-year options to extend.

The FMA is attached as Exhibit B. Staff has negotiated and developed the terms of the FMA with the RACs and CONRAC Solutions. Staff does not anticipate the need to materially amend the provisions of the FMA attached as Exhibit B.

The Lease between the Authority and RACs contain the necessary Airport Concession Disadvantaged Business Enterprise (ACDBE) provisions as required by the U.S. Department of Transportation, 49 Code of Federal Regulations (CFR) Part 23. The Participation Agreement and FMA related to this Board item do not change nor modify the ACDBE requirement under the Lease. Each RAC remains obligated to provide an ACDBE Participation Plan to outline the means and methods it will implement to achieve the ACDBE Car Rental Goal of 2.4%.

**Page 3 of 3**

Staff is seeking authorization for the President/CEO to complete negotiations to address the areas noted above and subsequently consent to both agreements.

**Fiscal Impact:**

The Participation Agreement and FMA receiving authorization to be consented to via this Board item are agreements among the on-airport rental car company participants. These agreements do not impact the Authority budget in either revenues or expenses. The agreements are contemplated under the RCC Lease and merely outline the methods of operation and allocation of costs among the Rental Car Industry in their operations and maintenance responsibilities of the RCC.

**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. CEQA: 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. Cal. Pub. Res. Code §21065.

B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not Applicable

**Prepared by:**

DOMINIQUE SHECK  
PROPERTY ADMINISTRATOR

**Exhibit A**

October 7, 2015

**RENTAL CAR CONCESSIONAIRE INDUSTRY AGREEMENT  
SAN DIEGO INTERNATIONAL AIRPORT**

This Industry Agreement (hereinafter "Agreement"), effective this \_\_\_ day of \_\_\_\_\_, 2015, is by and between **Enterprise Holdings, Inc.** dba "Enterprise," Alamo" and "National", **Avis Budget Car Rental, LLC** dba "Avis", **BW-Budget-SDA, LLC**, dba "Budget", **The Hertz Corporation** dba "Hertz", "Dollar", "Thrifty" and "Firefly", **Advantage Apco, LLC**, dba "Advantage" (successor in interest to Simply Wheelz, LLC, dba "Advantage"), **EZ Rent A Car, Inc.**, dba "EZ", **Nevada Lease and Rentals, Inc.**, dba "Payless", **Fox Rent A Car Inc.**, dba "Fox", **Midway Car Rental, Inc.**, dba "Midway", **Sixt Rent A Car, LLC**, dba "Sixt", and potential future New Entrants as may be allowed by Section 8 of this Agreement (each is hereinafter individually referred to as a "Participant" and collectively referred to as "San Diego RAC Participants" or "Participants").

**WHEREAS**, the Participants are 1) rental car concessionaires (hereinafter "RACS") at the San Diego International Airport (hereinafter "Airport"), which is operated by the San Diego County Regional Airport Authority (hereinafter "Authority"), 2) each individually a party to two agreements with the Authority: a Rental Car Center Lease Agreement and a Non-Exclusive On-Airport Rental Car Concession Agreement (hereinafter collectively "Master Agreement"), 3) entitled to use and occupy the Consolidated Rental Car Facility ("hereinafter RCC") scheduled to open in or around January of 2016, and 4) required to form a consortium for the purpose of performing all the obligations relating to the operation, maintenance and repair ("O & M") of the RCC and, under certain circumstances, a common transportation system for rent a car customers utilizing the RCC; and

**WHEREAS**, the Authority owns the RCC and the common fuel tanks in the RCC to be used by the Participants; and

**WHEREAS**, the Participants will occupy both common and exclusive-use space in the RCC; and

**WHEREAS**, the Participants shall hire a third-party vendor to provide facility operating and maintenance ("Facility O & M") services at the RCC; and

**WHEREAS**, the Participants may, under certain circumstances as agreed upon with the Authority, hire, and/or manage, a third-party vendor to operate a common transportation system for RCC customers desiring transport between the Airport's terminals and the RCC (hereinafter "Transportation System").

**WHEREAS**, the Facility O & M services to be provided to the RCC shall include, but are not limited to, building maintenance, housekeeping and janitorial services along with oversight of building electrical, lighting, HVAC, plumbing, etc. (see attached **Exhibit A**); and

**WHEREAS**, the Participants shall hire a third-party vendor to 1) provide fueling operating and maintenance ("Fueling O & M") services at the RCC, and 2) ensure compliance with all federal, state, and local laws, regulations, and ordinances with regard to said fueling operation; and

**WHEREAS**, the Fueling O & M services to be provided to the RCC shall include, but are not limited to, the preparation and filing of required plans/reports, monitoring of fuel tank(s), ordering of fuel, etc. (see attached **Exhibit B**); and

**WHEREAS**, the Participants shall be responsible to pay for their own fuel used at the RCC;  
and

**WHEREAS**, the Participants shall allow all third-party O & M vendors to gain access to the RCC and to provide the aforementioned services at the RCC; and

**WHEREAS**, the Participants desire to coordinate their collective efforts to 1) enter into an agreement with a third-party vendor to provide Facility O & M services at the RCC, 2) enter into an agreement with a third-party vendor to provide Fueling O & M services at the RCC; 3) If applicable, enter into an agreement with a third party vendor to provide any/all Transportation Services; and 4) take such other actions as necessary with respect to the necessary and reasonable O & M of the RCC; and

**WHEREAS**, the Participants shall establish a trust account with a financial institution that is a member of the Federal Deposit Insurance Corporation for the benefit of the Participants; and

**WHEREAS**, new entities may become Participants under this Agreement in the event the new entity enters into a Master Agreement with the Authority; and

**WHEREAS**, the Participants desire to execute this Agreement to establish the rights and responsibilities of each Participant as between all Participants in connection with the Participants' obligations under their Master Agreement with the Authority for the operation and maintenance of the RCC and in the use of third-party vendors to provide operation and maintenance services at the RCC and, if applicable, the management of the Transportation System.

**NOW, THEREFORE**, in consideration of the promises and of the mutual covenants and agreements contained herein, the Participants agree as follows:

1. Purpose. This Agreement shall pertain only to the rights and obligations of the Participants as specifically described in this Agreement. Any issues relating only to an individual Participant generally, rather than to the rights and obligations of all the Participants, shall be addressed by the respective Master Agreement entered into by such Participant with the Authority. Nothing contained herein shall be construed to supplement, diminish, terminate or otherwise modify any rights or obligations that each Participant may have under its respective Master Agreement with the Authority.
2. Term. Unless terminated earlier by all of the Participants as provided herein, this Agreement shall be in effect from the date hereof (hereinafter "Effective Date") until the time the RCC is no longer being used by any Participant.
3. Trust Account. Each Participant shall make timely payment of its share of the cost of the required payments to the Trust Account in the manner and amounts set out in attached **Exhibit C**. Each Participant shall make timely payment of any supplemental payments or assessments into the Trust Account as may be required for any additional costs of operating the RCC.
4. Management Committee. The Participants agree to form a Management Committee (hereinafter "Management Committee"), which shall be composed of one (1) representative (hereinafter "Representative") from each Participant. Each Participant shall notify all the other Participants of the name and contact information for its Representative.
  - (a) Scope. The Management Committee is hereby authorized by the Participants to manage, administer and enforce the rights and obligations of the Participants as set forth herein and in the Master Agreement with respect to the operating and maintenance obligations for the RCC.
  - (b) Meetings. Meetings of the Management Committee shall be held, if at all, either in

person or via telephone, on seven (7) business days prior written notice from a Representative of any of the Participants, and, in the event of a telephone conference call, then on three (3) business days prior written notice and in the event of an emergency, upon reasonable notice. Six of the ten designated Representatives in attendance shall constitute a quorum for the conduct of business at a properly-noticed Management Committee meeting.

(c) Voting. Other than for actions regarding the "Building Security/Circulation Plan" as described in Section 13, all actions of the Management Committee shall require a Majority in Interest (hereinafter "MII") vote. For the purposes of this Agreement, MII shall mean at least sixty (60%) percent of the total number of Participants and over fifty (50%) percent of current Market Share. For purposes of this entire Agreement, "Market Share" shall have the same definition as the term is defined in the Master Agreement. Any action that could be taken at a meeting of the Management Committee may also be taken by written consent of the Representatives.

(d) Duties of the Management Committee. The Management Committee shall be responsible for the following:

1. Receiving and reviewing all third-party vendor invoices and submitting any and all written comments or billing disputes to the third-party vendors within seven (7) business days of receiving an invoice. The Participants agree that if they do not submit written comments or billing disputes within this time period, then the invoice will be considered approved.

2. Evaluating and instituting any necessary modifications to the third-party vendors' agreements or scope of services therein.

3. Assisting in the necessary and reasonable equipping, operation, and maintenance of the RCC.

4. Communicating and coordinating with the Authority in connection with issues relating to the equipping, operation, and maintenance of the RCC.

5. Enforcing the rights and obligations of the Participants under this Agreement.

5. Payment of Expenses.

(a) Fueling O & M Third-Party Vendor. Except as provided specifically below, Participants shall allocate all Fueling O & M costs by *Pro-Rata Share* percentages. For purposes of this entire Agreement "**Pro-Rata Share**" shall be defined and have the same meaning as the term is defined in the Master Agreement.

Notwithstanding the above, each Participant acknowledges that it is responsible for making its share of payments with respect to gasoline or other fuel product purchases by the third-party vendor. Payments shall be due, and allocated per the terms of the separate Facility Management Agreement, which shall indicate, among other things, that each Participant shall pay for 100% of the fuel that individual Participant uses.

(b) Allocation of Facility O & M Costs. Except as otherwise provided herein, Participants shall allocate all Facility O & M costs by *Pro-Rata Share* percentages.

(c) Third-Party Consultants. Participants shall allocate any such consultant costs by fifty (50%) percent *Pro-Rata Share* and fifty (50%) percent equal share

between the total number of Participants for all costs up to \$250,000; any portion of costs in excess of \$250,000 will be allocated based on the *Pro-Rata Share* method. Examples of Third- Party Consultants include attorneys, appraisers, etc. that relate directly to the RCC and are not customarily included within the scope of Facility O & M and Fueling O & M.

(d) Management Committee Expenses. In the event that the Management Committee may, with MII approval, incur certain administrative expenses in performing its functions hereunder, including, but not limited to, expenses and costs arising from the engagement of third parties to provide services on behalf of the Management Committee, each Participant shall be responsible for paying its equal share of administrative expenses up to \$1,000.00 and its *Pro-Rata Share* of administrative expenses exceeding \$1,000.00. Notwithstanding the preceding sentence, Subsection 5(c) above shall solely govern the allocation and payment of the costs and expenses of and Third-Party Consultants.

(e) Reserve Account. If the Management Committee establishes a reserve account (as described in **Exhibit C**), each Participant shall be responsible for making the deposits required by the Management Committee and for replenishing any amounts used as a result of an Event of Default by such Participant.

(f) Allocation of Transportation System Costs. Customer Facility Charges will pay for the costs associated with operating the Transportation System. If, and only if, the CFCs are not sufficient to pay all eligible costs for the RCC and Transportation System, the Master Agreement with the Authority shall control and govern each Participant's obligations for said costs.

6. Representations and Warranties of Participants. Each Participant makes, in favor of the other Participants, the following representations and warranties as of the date hereof:

(a) Such Participant is duly organized and validly existing under the laws of its state of incorporation, is in good standing under the laws of such state, and is qualified to do business and is in good standing in the State of California.

(b) Such Participant has taken all necessary action to authorize the execution, delivery and performance of this Agreement.

(c) This Agreement has been duly executed and delivered by such Participant, and constitutes such Participant's legal, valid and binding obligation, enforceable in accordance with its terms, except as such enforceability may be subject to: (i) bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar laws affecting creditors' rights generally; and (ii) general principals of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

7. Covenants of Participants. So long as this Agreement remains effective, each Participant hereby covenants and agrees to:

(a) Pay all amounts due from such Participant in connection with the RCC and Transportation System.

(b) Comply and abide by the directions of the Management Committee with respect to the cooperative efforts of the Participants described herein.

8. Membership.



(a) Admission. Must be a Participant and a party to a valid, current Rental Car Center Lease Agreement and a Non-Exclusive On-Airport Rental Car Concession Agreement with the Authority to occupy the RCC.

(b) Withdrawal. A Participant may withdraw from this Agreement and terminate its rights hereunder with thirty (30) days prior written notice to the Representatives on the Management Committee; provided that such Participant has terminated its Master Agreement, along with all its operations at the Airport. If a Participant's Master Agreement is terminated it shall be required to withdraw from this Agreement. The withdrawing Participant shall remain liable for all payments and other obligations due from such Participant under this Agreement prior to the date of withdrawal, or arising from any breach of this Agreement.

(c) Admission of New Entrants. Future RACs that have entered into the Master Agreement with the Authority to operate as an on-airport car rental concessionaire will become a party to this Agreement. The effective date of such new entrant's participation in this Agreement shall be simultaneous with the date of the new entrant's Master Agreement with the Authority. The new entrant may sign this Agreement in counterpart without a formal amendment required of this Agreement.

9. Events of Default. The occurrence of any of the following events shall constitute an event of default (individually, an "Event of Default" and collectively, the "Events of Default") hereunder for any Participant (hereinafter called the "Defaulting Participant"):

(a) Any material failure by such Participant to comply with the terms and conditions of this Agreement, including, but not limited to, the failure to make any required payments where not cured within ten (10) business days following receipt of written notice thereof.

(b) Any material breach by a Participant of its Master Agreement with the Airport.

(c) A petition in bankruptcy is filed by or against such Participant and not dismissed within sixty (60) days.

(d) A court enters a judgment of insolvency against such Participant.

(e) A trustee or receiver is appointed for such Participant's assets in a proceeding brought by or against such Participant.

(f) Any statement, representation, warranty or certificate made or prepared by such Participant pursuant to this Agreement shall contain an untrue or misleading statement of a material fact as of the date made, provided that no Event of Default shall occur pursuant thereto, if within thirty (30) days of the date on which such Participant receives notice (from any source) identifying such untrue or misleading statement, such Participant shall eliminate or otherwise address to the reasonable satisfaction of the Management Committee the material and adverse effects (if any) relating to such untrue or misleading statement.

10. Remedies; Rights of the Participants. Upon the occurrence and continuation of any Event of Default set forth in Section 9, the Defaulting Participant:

(a) Shall remain fully liable for any costs and expenses required to be paid by it pursuant to this Agreement.

(b) Shall have its Representative suspended from its role in the Management Committee.

(c) Should the Defaulting Participant fail to cure the Event of Default within twenty (20) business days following receipt of a notice of such default, then the Defaulting Participant shall lose all voting rights until the Event of Default is cured or waived.

(d) Should the Defaulting Participant fail to cure any monetary Event of Default within ten (10) business days following receipt of written notice of such default, then the Defaulting Participant shall pay liquidated damages in an amount equal to ten (10) percent of the amount of any payment due. Said liquidated damage penalty shall be imposed for each 10-day period the Event of Default continues until the Event of Default is cured or waived.

(e) Shall be obligated to reimburse the other Participants for any expenses incurred by the Management Committee in enforcing this Agreement.

The Management Committee may use any amounts deposited by the Participants in any reserve account established by the Management Committee to cure such Event of Default and/or to pay amounts set forth in clause (d) of this Section.

11. No Partnership or Agency. The Participants agree that no partnership or agency is created by this Agreement. Nothing contained in this Agreement shall be deemed to construe the Participants as partners, nor as agents of each other, nor any other relationship whereby either Participant could be held liable for any act or omission of the other Participant. No Participant shall have any authority to act for any other Participant or incur any obligation on behalf of the other Participants, save as specifically provided by this Agreement. Each Participant covenants to indemnify, defend, and hold harmless each other Participant, their parent companies, subsidiaries, and affiliated companies, and their respective officers, directors, shareholders, employees, and agents, from all claims, losses, costs, charges, fees, expenses, damages, obligations and responsibilities incurred or suffered by another Participant as the result of its (a) failure to comply with this Agreement and/or its Master Agreement, (b) failure to comply with all applicable laws and regulations applicable to the use of the RCC, or (c) negligent or intentional acts or omissions in connection with the use of the RCC.

12. Amendment. This Agreement may only be modified or amended with unanimous consent of the Participants.

13. Building Security/Circulation Plan. Notwithstanding Section 4(c) above, should a Building Security/Circulation Plan become necessary, Participants must unanimously agree to a Building Security/Circulation Plan. Unanimous agreement is also required for any modifications or amendments to any such Building Security/Circulation Plan.

14. Records. Each Participant shall have access on demand to books of account, records, vouchers, checks, papers, and documents kept or maintained by the Management Committee in accordance with this Agreement.

15. Notice. Any notice required or permitted under this Agreement shall be in writing. Unless a particular provision of this Agreement requires delivery in a specific manner, any notice shall be given by mail, overnight courier service, or by facsimile transmission to such persons and to such address as may be designated from time to time by each of the Participants. Participants' designated contacts and addresses for Notice purposes are attached as **Exhibit D**.

16. Governing Law. This Agreement shall be governed by the law of the State of California and shall inure to the benefit of and be binding on the Participants and their respective successors and permitted assigns.

17. Time. Time is of the essence of this Agreement.

18. Severability; Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument. Each person executing this Agreement on behalf of a Participant states that he/she is duly authorized by the Participant to execute this Agreement and bind the Participant to this Agreement.

19. Subordination to Master Agreement: This Agreement shall be subordinate to the Master Agreement. In the event of any conflict or inconsistency between the Master Agreement and this Agreement, the Master Agreement shall govern and prevail.

**IN WITNESS WHEREOF**, the parties have executed this Industry Agreement as of the day, month, and year so written below.

As of this\_\_ day of \_\_\_\_\_, 2015.

## **EXHIBIT A**

### **Scope of Services Facility O & M**

Establish bank account for San Diego RAC Committee. Define areas between common use and exclusive use. Define/Expand specific scope items, including but not limited to:

- Janitorial.
- Restroom supplies.
- Utilities.
- Monitor utility meters.
- Pest control.
- Interior lighting. HVAC maintenance. Common area upkeep. Garbage removal.
- Contract with outside vendors as necessary.
- Landscaping (if applicable).

Establish with Participants an annual budget.

Develop cost-tracking system.

## **EXHIBIT 8**

### **Scope of Services Fueling O & M**

#### **Operations**

- Prepare an Annual Management Plan, Operating Budget, and Inventory Plan.

#### **Fuel Deliveries**

##### **Manage Fuel Deliveries**

- Coordinate and manage fuel purchases and deliveries.
- Handle fuel deliveries in accordance with all laws, rules, regulations, and advisories from all applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA.
- Monitor and report on all activities associated with the daily fueling inventory levels.
- Check fuel tank after deliveries.
- Determine and designate fuel operation areas and acceptable routes for fuel tanker trucks.
- Develop and provide to all Participants an Emergency Fuel Delivery Plan that will enable the operation of the QTA for at least thirty (30) days from the date any such Emergency Fuel Delivery Plan must be implemented by the Participants.

#### **Inspections**

- Check, inspect, and collect any and all data from the Veeder Root Tank Monitoring Systems or other monitoring system attached to the fuel tank.
- Inspect entire fuel system.

#### **Leak Monitoring**

##### **Alarm Management**

- Respond immediately to all fuel alarms and events.
- Monitor all fuel storage, dispensing and leak-detection equipment.
- Implement web-based electronic system that monitors and tracks fuel inventory for all Participants.

#### **Equipment Testing**

- Perform tank and line testing as required by all applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA.
- Annually test and continuously monitor the underground lines.

#### **Tank Equipment Maintenance**

- Prepare an Annual Maintenance Plan.

#### **Permitting**

##### **Manage Permits and compliance deadlines**

- Provide and maintain annual registration, licenses, permits and any other requirements by the applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA, for the fuel tank and for all related fuel-dispersal equipment/activities to ensure uninterrupted fuel supply to the QTA & to assist the City with their respective obligations to maintain similar items.
- Prepare any and all reports and/or documentation required by the applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction fifteen (15) days prior to its due date for all Participants' review and written approval thereof.

**Agency Inspections**

**Agency Inspection Management**

- Take any and all required necessary follow-up corrective and/or enforcement actions (including paying fines) assessed by applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA.

**Recordkeeping**

**Compliance Documentation Management**

- Below and/or Above-Ground Petroleum Storage Tank Plan Spill Prevention Control and Countermeasures Plan, Hazardous Materials Business Plan, and provide copies thereof to all Participants and to the Authority.

**Communication**

- Provide monthly operating and maintenance reports in a format acceptable to all Participants.

## **EXHIBIT C**

### **Trust Account**

As part of the Industry Agreement to which this Exhibit is attached, it is mutually agreed that a Trust Account, with a financial institution that is a member of the Federal Deposit Insurance Corporation will be established jointly by the Participants, or Participants representative and funded by the Participants, to pay for all financial transactions related to Interim and on-going Facility O & M, Fueling O & M, the Third-Party Vendor O & M Hiring Consultant, the Transportation System, administration of the Management Committee, and any other costs related to the RCC.

The establishment of the Trust Account will occur prior to the anticipated Date of Beneficial Occupancy of the RCC.

Participants shall fund the Trust Account in accordance with the applicable cost-allocation methodologies established in this Industry Agreement and pursuant to the deposit schedule set forth below:

-For the costs of any Third-Party Vendor O & M Hiring Consultant, immediately upon execution of this Industry Agreement, each Participant shall deposit its *Pro-Rata Share* of the projected costs;

-For the costs of all O & M services, immediately upon establishing with the respective vendor(s) an approved annual budget, each Participant shall deposit its *Pro-Rata Share* of three (3) months of the projected annual O & M budget and thereafter, every (30) days, it's *Pro-Rata Share* of 1/12 the approved O & M annual budget; and

-For the costs of any and all Management Committee expenses, immediately upon incurring said expenses, each Participant shall deposit its *Pro-Rata Share* of the expenses incurred.

At least two (2) representatives of the Participants, or Participants representative, shall be authorized signatories to the Trust Account and all checks and/or withdrawals shall require at least two signatories before any such disbursement from the Trust Account can be made.

**EXHIBIT D**

**Notice**

SPECIFIC RAC CONTACT INFORMATION TO BE ADDED





**Exhibit B**

## **FACILITIES MANAGEMENT AND OPERATIONAL SERVICES AGREEMENT**

THIS FACILITIES MANAGEMENT AND OPERATIONAL SERVICES AGREEMENT (this "Agreement") is made as of February 1, 2015

Between:

Enterprise Rent-A-Car Company of Los Angeles, LLC  
The Hertz Corporation  
Avis Budget Car Rental, LLC  
Fox Rent-A-Car, Inc.  
Nevada Lease & Rentals, Inc.  
BW-Budget-SDA, LLC  
Advantage Opco, LLC dba Advantage Rent A Car  
E-Z Rent A Car, Inc.  
Midway Car Rental, Inc.  
Sixt Rent A Car, LLC

Referred to in this Agreement individually as a "Member" and collectively as the "Members."

And:

CONRAC SOLUTIONS, LLC, its successors and/or assigns ("Manager").

EACH of the Members and Manager are also referred to in this Agreement individually as a "Party" and collectively as the "Parties."

WITNESSETH:

WHEREAS, each of the Members has executed a Lease and a Concession Agreement (as such terms are hereinafter defined) with the San Diego County Regional Airport Authority ("Authority") authorizing them to carry out vehicle rental activities at the consolidated rental car facility (the "Facilities") located at the San Diego International Airport ("Airport");

WHEREAS, each of the Members, desiring to contract for maintenance of the Serviced Facilities (as hereinafter defined) requested a proposal from Manager to provide the Facilities Management and Operational Services (as hereinafter defined);

WHEREAS, each of the Members desires to retain Manager hereby to provide certain Facilities Management and Operational Services to the Members, and Manager desires to provide such Services to the Members, upon and subject to the terms and conditions contained herein; and

WHEREAS, the Members are each party to a Lease which governs in part the obligations of each Member with respect to their individual and collective responsibilities for the operation and maintenance of the consolidated rental car facility at the Airport.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Members and Manager hereby agree as follows:

### 1. DEFINITIONS AND INTERPRETATION

1.1. Definitions. The following terms used in this Agreement have the meanings provided below:

- 1.1.1. "Affiliate" means (i) any Person which, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with the specified Person and (ii) any Person who is an officer of, general or limited partner or member in or trustee of, or serves in a similar capacity

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with respect to, the specified Person or of which the specified Person is an officer, general or limited partner, member or trustee, or with respect to which the specified Person serves in a similar capacity. For the purpose of this definition, the terms “control,” “controlled by” and “under common control with” shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting shares, by contract, or otherwise.

1.1.2. “Appendices” means, collectively, the following appendices, and all exhibits attached to such appendices, all of which are incorporated in and made a part of this Agreement, plus all appendices prepared after the date hereof and executed by the Members and Manager, which also shall be incorporated in and made a part of this Agreement:

Appendix “A”	– Scope of Facilities Management and Operational Services
Appendix “A-1”	– List of Serviced Facilities
Appendix “A-2”	– Maintenance and Repair Standards (From Lease Agreement – Exhibit XX)
Appendix “A-3	– Major Maintenance Items (From Lease Agreement – Exhibit XX)
Appendix “A-4”	– Select Lease Obligations of Manager
Appendix “B”	– Manager Compensation and Organizational Chart
Appendix “C”	– Representatives, Members, and Addresses
Appendix “D”	– Blank
Appendix “E”	– Blank

1.1.3. “Concession Agreement(s)” shall mean individually and collectively those certain Concession Agreements for Rental Car Concession at the Airport by and between the Authority and each Member.

1.1.4. “Contract Year” shall mean each 365 or 366 day period, as applicable, from and after the Commencement Date (as such term is defined hereinafter) during the Term (as such term is defined in section 2.1 hereof), with the first Contract Year commencing on the Commencement Date and expiring at midnight on the day immediately preceding the first anniversary of the Commencement Date, and each Contract Year thereafter beginning on each successive anniversary of the Commencement Date and expiring at midnight on the day immediately preceding the next anniversary thereof.

1.1.5. “Services” means rendering the Facility Management and Operational Services described in Appendix “A” to the facilities listed in Appendix “A-1”.

1.1.6. “Leased Property” means collectively the Facilities and any other property at or pertaining to the Airport, leased or otherwise controlled by one or more Members (or contemplated to be leased or otherwise controlled by one or more Members) with respect to which Manager performs the Services under this Agreement.

1.1.7. “Lease(s)” means individually and collectively those certain Leases, by and between the Authority and each Member relating to the consolidated rental car facility at the Airport.

1.1.8. “Manager Employee” means an employee of Manager or any of its Affiliates, to the extent employed for the purpose of rendering the Services.

1.1.9. “Person” means any natural person, joint venture, general partnership, limited partnership, trust, business trust, cooperative, association, limited-liability company, corporation, or other entity.

1.1.10. “Serviced Facilities” mean the Facilities included in Appendix “A-1” with respect to which Manager is to provide the Services described in Appendix “A” hereto.

1.1.11. “Subcontractor” means a Person engaged by Manager as an independent contractor to perform, or to assist Manager in performing, the Services.

1.1.12. “Vendor” means a Person engaged by Manager as an independent contractor to provide a product, as {10708-070-00238550;1}

opposed to a service (which may include supplying a product), needed for Manager to perform the Services.

- 1.1.13. “Governing Documents” collectively all agreements in addition to this Agreement that bind each Member or the Members to each other or to the Authority, including but not limited to the Lease, Concession Agreement, and any Participation Agreement or LLC operating agreement between the Members.

## 1.2. Interpretation.

- 1.2.1. Unless otherwise indicated in this Agreement, all references to “days” mean calendar days. Whenever under the terms of this Agreement the time for performance of a covenant or condition ends on a day other than a business day, such time for performance shall be extended to the next business day. All references in this Agreement to “business days” mean any weekday (i.e. days other than a Saturday, or Sunday) on which commercial banks are not authorized or required by Federal law to close. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, as used in this Agreement: (i) the word “include” and similar terms shall be construed as if followed by the phrase “without limitation,” and (ii) words in the singular shall include the plural, and vice versa.
- 1.2.2. This Agreement shall be governed by and construed in accordance with the laws of the State of California (the “State”) without regard to conflicts of laws principles.
- 1.2.3. This Agreement shall not be construed more strictly against one Party than against the other merely by virtue of the fact that it may have been prepared primarily by counsel for one of the Parties, it being recognized that the Members and Manager have contributed substantially and materially to the preparation of this Agreement.
- 1.2.4. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalid, illegal or unenforceable provision or provisions shall be fully severable and shall not affect any other provision of this Agreement and this Agreement shall be construed and enforced as if such invalid, illegal or unenforceable provision had never been contained herein.
- 1.2.5. Each of the Members is entering into this Agreement on behalf of itself. Any new Person which is not an original signatory to this Agreement but who lease or otherwise control a Serviced Facility that is added to Appendix “A-1” of this Agreement after the Commencement Date shall also execute this Agreement. Each of the Members warrants to Manager that it is authorized to enter into this Agreement.
- 1.2.6. Manager understands that the Members are hiring Manager to perform maintenance obligations of the Members contained in their respective Leases with the Authority for the Serviced Facilities. Manager shall provide such services, upon and subject to the terms and conditions contained in this Agreement and in accordance with the Appendices hereto. A portion of the Members’ maintenance and service responsibilities set forth in the Leases may, from time to time, be further delegated directly to third parties pursuant to separate agreements between the Members and other contractors.

## 2. TERM OF AGREEMENT

- 2.1. Initial Term. The initial term of this Agreement (the “Initial Term”) shall be for five (5) years commencing on the Commencement Date and expiring at the end of the fifth (5<sup>th</sup>) contract year unless terminated prior to such date in accordance with the provisions of this Agreement.
- 2.2. Commencement Date. The Agreement’s “Commencement Date” is February 1, 2015.
- 2.3. Extension Options. The Members, acting collectively or through the Members’ Representative, shall have the option to extend this Agreement on the terms set forth herein for up to four (4) additional periods of three (3) years each (each an “Extension Period”), subject only to the mutual written agreement of the Parties in each case as to Manager’s compensation. The Members shall notify Manager no later than six (6) months prior to the commencement of the applicable Extension Period as to its intention to exercise such option. In the event

the Parties fail to agree upon Manager's compensation and all of the other terms, covenants and conditions that will be applicable to such Extension Period despite their good faith efforts to do so by no later than three (3) months prior to the commencement thereof, then this Agreement shall expire at the end of the then-current Term. As used in this Agreement, the phrase "Term" shall mean and include the Initial Term and the Extension Period with respect to which the Members properly extend the term of this Agreement in accordance with the provisions of this Section.

2.4. In the event all of the Leases between Authority and Members, as may be amended from time to time, are terminated for any reason, this Agreement shall also immediately terminate without further notice.

### 3. SERVICES; COMPENSATION AND REIMBURSEMENT

3.1. Facilities Maintenance and Operational Services. The Members hereby appoint Manager to provide the Services beginning on the Commencement Date and Manager accepts such appointment and shall render the Services, subject to the terms and conditions set forth in this Agreement.

3.2. Compensation for Services. In consideration of Manager's performance of the Services, the Members shall make payments in accordance with Manager's fee proposal, set forth in "Appendix B", to or for the benefit of Manager as described, and at the times provided, in the approved Operating Budget.

3.2.1. Start-up Budget. Prior to the Commencement Date, the Manager shall present to the Members a proposed budget for management services and startup expenses. The Start-up Budget shall be on a time and material basis with a proposed not to exceed amount. Upon advance written request from the Manager, the parties may increase the not to exceed amount from time to time to adjust to the exigencies and unknowns involved in starting up management services at the Facility.

3.2.2. Reimbursement for Expenses. The Members shall not be required to reimburse or pay for any expenses incurred by Manager in its rendering of the Services, except as expressly provided in the approved Operating Budget, which shall include reimbursable expenses as identified in the Operating Budget defined in section 11.3.2 that is approved or other items as covered by a contingency in the Approved Budget, which shall be paid for at actual cost. The Manager shall not be obligated to advance funds on behalf of the Members.

#### 3.3. Modifications to Scope of Work.

3.3.1. Reductions in Scope. The Members, at their sole option, may make limited reductions to the scope of work described in Appendix "A" by providing, through the Members' Representative, written notice thereof to Manager, which change shall be incorporated into the terms of this Agreement. Within ten (10) days following receipt of such notice by Manager, Manager shall respond to the Members' Representative, in writing, with any fee and/or reimbursement adjustment(s) resulting from the reduction in the scope of work requested by the Members. Except as otherwise provided herein, no amendment or change to this Agreement shall be binding unless approved by the Parties in writing. In the event the Members request a material reduction in the scope of work and Manager determines it shall no longer be economic to continue to perform the Services under this Agreement, then Manager may terminate this Agreement upon one hundred eighty (180) days' notice to the Members' Representative.

3.3.2. Increases in Scope. The Members may request increases to the scope of work described in Appendix "A" by providing written notice thereof, through the Members' Representative, to Manager. Within ten (10) days Manager will provide written acceptance thereof, which acceptance shall not be unreasonably withheld, conditioned, or delayed. The Parties, acting in good faith through the Members' Representative, will attempt to reach mutual agreement as to any fee and/or reimbursement adjustment(s) resulting from such increase in scope of work, such change shall be incorporated into the terms of this Agreement by amendment. Such amendment also shall reflect the time frame within which Manager shall implement such additional services.

### 4. RELATIONSHIP BETWEEN THE PARTIES

- 4.1. Independent Contractor. Except as specifically authorized in this Agreement or as may be agreed to by the Parties (e.g., for the management of vendors and subcontractors or the procurement of goods and services on the Members' behalf), the relationship between the Members and Manager and all of Manager's Employees and its Subcontractors and Vendors, where applicable, under this Agreement is that of an owner and an independent contractor, and Manager and its Subcontractors shall render the Services as an independent contractor of the Members. Neither Manager nor any of its Subcontractors, Vendors, Affiliates, partners, agents, employees or others acting under Manager's direction is or shall be deemed an Affiliate, partner or employee of any Member. Except with respect to the management of subcontractors and vendors and to the purchase of goods and services on the Members' behalf, as is expressly set forth in Section 4.2 below, Manager has no authority to obligate any Member to third parties in any way.
- 4.2. Subcontractor/Vendor Management. Manager will manage the delivery of Services and Supplies by Manager's Employees and skilled and qualified Subcontractors and Vendors in sufficient number to render the Services properly in the manner required by this Agreement. Manager shall enter into contracts on behalf of Members for the delivery of Services by such skilled and qualified Subcontractors and Vendors to fulfill those Services that Manager does not provide directly with Manager's Employees under this Agreement. Manager shall be an intended third-party beneficiary of all such contracts, which shall conform to the terms and conditions of this Agreement and shall be executed by Manager "as agent for" Members and upon approval by the Members as defined in 4.2.4 below.
- 4.2.1. Vendor Performance. Manager will employ effective methods of contractor qualification, selection, work quality control, contracting, invoicing, development and evaluation. Manager shall seek to obtain qualified Subcontractors and Vendors at the best possible price for the Members and to make sure all work is done efficiently and effectively. All such Subcontractors and Vendors must be properly licensed as required by applicable law and have all necessary permits and insurance required for the work to be performed under this Agreement. The Members' Representative shall have the right to disapprove the use and/or require the discontinuation of the use of any Subcontractor or Vendor (or any subcontractor of any Subcontractor or Vendor) in its reasonable discretion, consistent with the terms and conditions of the applicable contract or subcontract. At Manager's discretion, or as required by the Members, Manager may elect to solicit bids for certain of the Services. The Members' Representative reserves the right to review bid documents and contracts.
- 4.2.2. Vendor and Subcontractor Agreements. Manager will provide prior written notice to the Members' Representative of any contract negotiations for contracts for services or supplies to the Serviced Facilities that individually are likely to exceed \$40,000 per year. All contracts with a total price of \$40,000 or more per year are subject to the prior approval of the Members, which approval shall be established in accordance with the Governing Documents, and shall not be unreasonably withheld, conditioned or delayed. Notwithstanding the foregoing, Manager shall not enter into any contract or subcontract as the Members' agent with any Affiliate of Manager, for any amount, without the Members' Representative's prior written consent or approval, which shall not be unreasonably withheld, conditioned or delayed, provided Manager certifies that the cost for such services are comparably priced to what would have been paid to any other third party Subcontractor or Vendor for such services. Except as otherwise approved by the Members' Representative in writing, all contracts with Subcontractors and Vendors shall be based on Manager's standard template of contractor-vendor agreement, which template shall be approved by the Members' Representative. No contract with a Subcontractor or Vendor shall have a term exceeding three (3) years without the prior written approval of the Members' Representative
- 4.2.3. Liens. Manager shall keep all Serviced Facilities free and clear of any mechanics', material men's, brokers' or similar liens on account of work done or materials supplied by Manager or for Manager. In the event any such lien is filed against the Serviced Facilities that is chargeable to or through Manager, provided that none of the Members is in monetary default under the applicable contract or subcontract with respect to payment for such services giving rise to the lien, then Manager shall ensure that such lien is released of record, whether by payment, bonding or settlement, within fifteen (15) days after the recording thereof. Manager agrees to indemnify, defend (promptly and diligently, at Manager's sole expense with attorneys reasonably satisfactory to the Members' Representative) and hold harmless the Members against any mechanics', materialsmen, brokers' or similar liens which may be filed against the Leased Property by third parties whom Manager has hired to perform any of the Services, provided that

this indemnification shall be effective only if none of the Members is in monetary default under the applicable contract or subcontract with respect to payment for such services giving rise to the lien. This provision shall survive the expiration or termination of this Agreement.

4.2.4. Minority and Minimum Wage Requirements. Manager shall comply to the extent applicable with procurement rules for securing public contracts in the State, County, and Municipality in which the Services are performed, to include where applicable an outreach program directed towards the hiring of minority, women-owned, disadvantaged or small business (“M/W/DBE”) firms, and also to include any minimum wage, standard of living, or other similar wage requirements then in effect.

4.2.5. Site-Specific Contract Requirements. Intentionally blank.

4.2.6. Site-Specific Contract Requirements. Intentionally blank.

4.3. Periodic Joint Review. The Members and Manager may from time to time and at Member’s discretion form a joint review committee (the “Strategic Evaluation Team”) consisting of at least two persons appointed by the Members, one of whom may be the Members’ Representative, and at least two persons appointed by Manager, one of whom shall be the Manager’s Representative (as hereinafter defined), for the purpose of holding regularly scheduled consultations on the performance of the Services (a “Periodic Joint Review Meeting”). The Strategic Evaluation Team shall determine the scheduling and timing of the Periodic Joint Review Meetings.

4.4. Compliance with Lease. Manager will perform the Services in accordance with the terms and conditions of the Lease, and in full compliance with any and all applicable laws and such rules regulations and standards as the Authority shall maintain, including any predefined O&M standards. Applicable excerpts from the Lease and/or other Governing Documents are attached to this Agreement as Appendix “A-4” and Manager acknowledges and shall comply with the stated requirements.

4.5. Subordination of Agreement. The Parties understand and agree that neither the Authority’s general consent to this Agreement, nor any specific language contained herein shall act to increase or decrease the rights and obligations between the Members and the Authority vis-à-vis their respective Concession Agreements or Leases.

4.6. New Members. The Parties agree that all future rental car companies securing a Lease with the Authority shall be permitted to join this Agreement on substantially the same terms and conditions as the then existing Members to the Agreement. Any and all obligations of new members shall commence upon said new member’s occupancy of the Facilities.

## 5. MANAGER EMPLOYEES

5.1. Furnishing of Manager Employees. Manager shall perform the Services through qualified, able and trained Subcontractors, Vendors and Manager Employees including, without limitation, supervisory and support personnel, in sufficient number to properly render the Services in the manner required by this Agreement and with Subcontractors and Manager Employees who will work in harmony with other personnel. Manager’s initial staffing shall be as shown on the organizational chart attached hereto and made a part hereof as Appendix “B”. Except as provided in Section 5.2 (Key Persons), Section 5.5 (Manager Representative) and Section 5.7 (Members Involvement in Manager Employee Matters), Manager shall have the exclusive right to hire, direct, discipline, compensate (including any performance or other bonuses) and terminate Manager Employees, and shall exercise complete and exclusive control over the conduct of Manager Employees. Manager shall ensure that in the performance of any of the Services (a) Manager Employees shall conform to all of the applicable rules and regulations regarding security and confidentiality, if any (provided the same are communicated in writing to Manager from time to time together with any changes thereto) of the Members, (b) those Manager Employees that operate equipment or vehicles are fully qualified and, where required by law, licensed to do so and (c) to the extent permitted under applicable law, Manager shall require that Manager Employees performing the Services shall be well groomed and neat in appearance.

5.2. Key Person(s). Manager agrees that it shall assign sufficient Manager Employees (“Key Person(s)”) as identified on Appendix “B” to supervise and/or perform the Services. Key Person(s) shall devote time and attention reasonably necessary to the provision of the Services as may be appropriate to and consistent with



the timely performance of this Agreement. Manager shall ensure that a Key Person is available to respond to the Serviced Facilities during all hours of operation or as otherwise required by the Governing Documents. Key Persons are employees of Manager that the Members desire to be and remain assigned to the Serviced Facilities. Manager agrees that Key Person(s) shall not be removed from their responsibilities under this Agreement, except in the event of death, disability or departure from the employment of Manager, without the prior consent of the Members, which consent shall not be unreasonably withheld. In addition to the Members' right in 5.7 below, if the Members reasonably determine that any Key Person(s) are not performing the job satisfactorily, the Members shall have the right to request such individual(s) be replaced in accordance with Section 5.7.

- 5.3. Manager Employee Compensation. Manager will pay all salaries, wages and bonuses, all payroll and other taxes, fees, workers compensation insurance and other charges or insurance levied or required by any federal, state, or local law, statute, regulation or ordinance relating to the employment of Manager Employees. None of the Members shall be, or shall be deemed to be, a party to any collective bargaining agreement which is now or hereafter may be in effect with respect to Manager Employees. Manager has no authority to bind any of the Members to any such collective bargaining agreement. Manager shall use reasonable efforts to prevent any third party from binding any Member to any such agreement.
- 5.4. Compliance with Laws Relating to Employment. Manager shall fully comply with all applicable laws, statutes, regulations and ordinances relating to workers compensation, social security, unemployment insurance, hours of labor, wages, working conditions, employment discrimination, and other employer-employee matters with respect to Manager Employees.
- 5.5. Manager Representative. At all times during the Term, Manager shall employ a manager of the Services (the "Manager Representative"), who shall function as Manager's primary representative in connection with matters relating to this Agreement. Manager shall be solely responsible for the direction and supervision of the Manager Representative and all other Manager Employees, but all Manager Employees, and particularly the Manager Representative, shall be instructed to cooperate fully with the Members' Representative. The initial Manager Representative and any replacement thereof shall be subject to the prior approval of the Members' Representative, which approval shall not be unreasonably withheld, conditioned or delayed. Manager represents that the Manager Representative is qualified to perform such job and that other obligations imposed by Manager on the Manager Representative will not interfere with his or her responsibilities under the Agreement in any material way.
- 5.6. Members' Office Space and Office Equipment. In connection with Manager's rendering of the Services, office space, telephone and computer hook-ups and electrical services as may be reasonably necessary for Manager's performance of the Services throughout the Term are provided in the Facility. However, in the event such space and connections are unavailable either immediately, or in the future, workspace for Manager in an alternate location will be provided at Members' discretion. Manager shall procure all required office furnishings, telephones, printer, fax and other office equipment as necessary to their specific needs in accordance with section 4.2 above, at its cost.
- 5.7. Members' Involvement in Manager Employee Matters. Members shall not participate in any decisions as to wages, hours or other working conditions of Manager Employees. If the Members reasonably believe that a Manager Employee may be engaged in improper conduct, is unqualified to perform assigned duties or has violated any material, established, applicable procedure regarding the Member or Member security or confidentially, the Member may request that the Manager take action to remedy the situation, provided that Manager may exercise Manager's reasonable discretion and, in particular, shall not be required to take any action that violates legal requirements (including, without limitation, those specified in 4.4). The Members understand that such replacement may result in the termination of the employees of the Manager Employee following Manager's proper investigation thereof. Manager Employees consisting of engineering and technical staff shall wear Manager's uniform or display a Manager's corporate name tag on its uniform. All Manager Employees may otherwise display Manager's name and/or logo if required by Manager.
- 5.8. Non-Discrimination. In its efforts to hire and retain employees, Subcontractors and Vendors, Manager shall (i) exercise commercially reasonable efforts to comply with all of the Member's non-discrimination and affirmative action policies applicable to the Member's hiring and retaining the Member's employees,

Subcontractors and Vendors, (ii) comply with all existing agreements entered into by the Members to facilitate non-discrimination and affirmative action with respect to employees, Subcontractors and Vendors, including, without limitation, using good faith efforts to comply with the requirements set forth in the Lease and the Concession Agreements relating to the same, and (iii) exercise commercially reasonable efforts to comply with future agreements entered into by the Members to facilitate non-discrimination and affirmative action with respect to employees, Subcontractors and Vendors.

## 6. INSURANCE AND INDEMNIFICATION

- 6.1. Manager's Insurance. Manager shall maintain the following insurance policies, covering the activities of and the services rendered by Manager and Manager Employees under this Agreement and serving as the primary insurance coverage for said activities and services, throughout the Term. The premium for such coverage as well as the environmental insurance as set forth in Section 16.5.3 is a reimbursable expense and shall be included in the Approved Budget:
  - 6.1.1. Commercial general liability (CGL) in an amount not less than five million dollars (\$5,000,000) combined single limit, including coverage for:
    - (a) premises-operations;
    - (b) products/completed operations;
    - (c) blanket contractual liability;
    - (d) broad form property damage;
    - (e) independent contractors; and
    - (f) personal injury.
  - 6.1.2. Comprehensive automobile liability for owned, hired and non-owned motor vehicles in an amount of not less than one million (\$1,000,000) dollars combined single limit.
  - 6.1.3. Workers' compensation, occupational diseases and disability benefits in accordance with applicable statutory requirements.
  - 6.1.4. Employers' liability in an amount of not less than one million (\$1,000,000) dollars.
  - 6.1.5. Employee Fidelity Bond in an amount of not less than two million (\$2,000,000) dollars.
  - 6.1.6. Umbrella form excess liability insurance in excess of the limits provided by the commercial general liability, comprehensive automobile liability and employer's liability insurance policies required above with limits of not less than ten million (\$10,000,000) dollars per occurrence and annual aggregate.
- 6.2. All insurance policies required by this Agreement shall name the individual Members and the Authority, its trustees, officers, agents, and employees' as additional insureds, as their interests may appear, shall be in customary forms, shall be issued by companies licensed to do business in California, and rated "A-" FPR 8, Class X or better by then most current Best's Insurance Rating Guide and shall require at least thirty (30) days' written notice to the Members' Representative prior to any cancellation, expiration, nonrenewal or change in the insurance coverage. Manager shall deliver certificates evidencing such insurance coverage and additional insured status to the Members' Representative upon commencement of the Term. Manager shall deliver renewal certificates to the Members' Representative not less than thirty (30) days prior to the expiration dates of the certificates then in effect.
- 6.3. Manager's Subcontractors' Insurance. Manager shall cause each of Manager's Subcontractors to maintain the insurance policies, covering the activities of such Subcontractor, described in Sections 6.1.1, 6.1.2, 6.1.3 and 6.1.4. Said insurance may be in lesser amounts and coverages as Manager determines to be appropriate consistent with the nature of services provided by the Subcontractor and reasonable and prudent industry standards, upon prior written notice to the Members' Representative, but in no event will the CGL coverage be less than one million (\$1,000,000) dollars for the combined single limit. In addition, Manager shall cause all Affiliates of Manager and Manager's Subcontractors who are performing architectural, engineering or design services to maintain professional liability insurance in the amount of not less than one million (\$1,000,000) or such lesser amount as maybe approved by the Members' Representative

- 6.4. Members' Insurance. The Members shall maintain commercial general liability and casualty insurance as required under the Lease and the Concession Agreement, as applicable. Manager shall be named as an additional insured as its interests may appear under any such liability insurance policy. Manager's insurance shall be deemed primary and non-contributing with any insurance maintained by the Members, but only to the extent of Manager's indemnity obligations under this Agreement. Each Member further shall require each contractor directly engaged by such Member to provide services at the Serviced Facility to name Manager as an additional insured under any liability policies carried by each such contractor. Where required by the Lease and Concession Agreement all policies of insurance shall name the Authority as an additional insured.
- 6.5. Waiver of Subrogation. To the extent of any payment of loss proceeds under any insurance policy described in this Agreement or otherwise maintained by Manager or any Member, for any such proceeds paid through self-insurance, the Party receiving such payment, on behalf of itself and its Affiliates, hereby waives any right to assert a claim to the extent of such payment and shall cause its insurance provider to waive any right of subrogation it may have against the other Party and its Affiliates. Each Party shall notify its insurers of this mutual waiver of subrogation.
- 6.6. Indemnification.
- 6.6.1. Indemnification by Manager. Manager agrees to (i) indemnify and hold the Authority, the Members, the Members' Affiliates, and their respective officers, directors, employees, agents, successors and assigns (the "Member Indemnitees"), harmless from and against all claims, demands, liabilities, damages, judgments, suits, actions, losses, harm, obligations, penalties, fines, settlements, costs of enforcement, and all other costs and expenses (collectively, "Claims") asserted against or incurred by the Member Indemnitees for bodily injury, personal injury including death, property damage, environmental injury and damage, to the extent such Claims are due to Manager's or Manager's contractors, subcontractors and vendor's wrongful actions, negligence, gross negligence, willful misconduct or breach of this Agreement or Manager's failure or refusal to comply with or abide by any applicable law or implementing regulations and (ii) defend promptly and diligently, at Manager's sole expense, with attorneys reasonably acceptable to the Members Indemnitees, any Claim, action or proceeding brought against a Member Indemnitee or a Member Indemnitee and Manager jointly or severally, arising out of or connected with the matters for which Manager provides indemnification under clause (i) above. Any Member Indemnitee shall be entitled to participate in such defense at its own cost, but the Manager, shall lead the defense. The consent of the applicable Member Indemnitees to any settlement shall be required, and such consent shall not be unreasonably withheld, conditioned or delayed; provided such consent may be denied in the event such settlement does not provide for a complete release of the Member Indemnitee. The provisions of this Section shall survive the expiration or termination of this Agreement. Nothing contained in this Section shall relieve a Member Indemnitee from responsibility for its own negligence, gross negligence, willful misconduct or breach of this Agreement or applicable law or regulation.
- 6.6.2. Indemnification by Members. Each Member agrees to (i) indemnify and hold Manager, its Affiliates and their respective officers, directors, employees, agents, successors and assigns (the "Manager Indemnitees") harmless from and against all Claims asserted against or incurred by the Manager Indemnitees for bodily injury, personal injury including death, property damage, environmental injury and damage, to the extent such Claims are due to any such Member's or Members' Representative's wrongful actions, negligence, gross negligence, willful misconduct or breach of this Agreement or any Member's failure or refusal to comply with or abide by any applicable law (other than by reason of an act or omission of a Manager Indemnitee), or any condition or circumstance arising initially prior to the date of this Agreement (regardless of whether such condition or circumstance continues) or that otherwise is not a matter for which Manager has assumed responsibility under this Agreement, and (ii) defend promptly and diligently, at the Members' sole expense, with attorneys reasonably acceptable to the Manager Indemnitees, any Claim, action or proceeding brought against a Manager Indemnitee or a Manager Indemnitee and Member(s) jointly or severally, arising out of or connected with the matters for which the Members provide indemnification under clause (i) above; provided, however, that the Members' liability under this Section shall be limited to the insurance proceeds available with respect to the particular matter under the insurance policies carried by the Members. Any Manager Indemnitee shall be entitled to participate in such defense at its own cost, but the applicable Member shall lead the

defense. The consent of the applicable Manager Indemnitees to any settlement shall be required, and such consent shall not be unreasonably withheld, conditioned or delayed; provided such consent may be denied in the event such settlement does not provide for a complete release of the Manager Indemnitee. The provisions of this Section shall survive the expiration or termination of this Agreement. Nothing contained in this Section shall relieve a Manager Indemnitee from responsibility for its negligence, gross negligence, willful misconduct or breach of this Agreement.

- 6.6.3. Comparative Fault. Manager and each Member shall be liable under Sections 6.5.1 and 6.5.2, respectively, only to the extent of the respective obligations specifically imposed upon them by such Sections. In the event one or more Parties bear fault for a matter, each Party's liability (including liability for defense costs) shall be equal to the percentage determined to be due to the fault of such Party as agreed upon by the Parties or as fixed by settlement agreement or set forth in a final judgment of a court of competent jurisdiction or the decision of the arbitrator or arbitration panel in an arbitration proceeding. Further, in the event that a Party shall assume the defense of a matter for which an other Party, but not the defending Party, is at fault (in whole or in part), the Party at fault shall either pay or reimburse the defending Party fully for all reasonable costs and expenses incurred in connection with such defense.
- 6.6.4. Notice. Each Party entitled to indemnification under this Section 6 (the "Indemnified Party") shall give notice to the Party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought; provided, however, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its obligations under this Section 6 unless and to the extent that the failure to give such notice is materially prejudicial to an Indemnifying Party's ability to defend such action.
- 6.6.5. Limitation on Damages. Notwithstanding any provision of this Agreement to the contrary, neither Party to this Agreement shall be liable to the other party for any lost or prospective profits or any other indirect, consequential, special, incidental, punitive, or other exemplary losses or damages (in tort, contract or otherwise) regardless of the cause thereof. In addition to the foregoing, Manager shall not be responsible for dealing with or detecting latent pre-existing conditions of a Serviced Facility that may adversely affect the operations, maintenance or use of such Serviced Facility or the health or safety of persons or property. Furthermore, Manager shall not be responsible for dealing with or detecting latent defects in the design or construction of a Serviced Facility or manufacturing defects in equipment within a Serviced Facility, whether pre-existing or arising during the Term or thereafter. Notwithstanding the foregoing, Manager shall notify the Members and Authority immediately if it discovers such a defect(s).

## 7. COMPLIANCE WITH LAWS

- 7.1. Compliance with Laws by Manager. Manager and all Manager Affiliates shall comply with all laws, statutes, ordinances and regulations applicable to Manager with respect to the rendering of the Services and pay all lawful fees and charges imposed upon Manager by federal, state or local governmental bodies in connection with the Services. Manager shall cause its Subcontractors, Affiliates and others acting under Manager's direction to comply with all laws, statutes, ordinances and regulations applicable to them with respect to the rendering of the Services and to pay such fees and charges applicable to them.

7.1.1. In particular, California Health and Safety Code, Chapter 6.67 and Chapter 6.7, including § 25299, are incorporated into this agreement by reference.

- 7.2. Licenses and Permits. Manager shall, at its expense, obtain and keep in full force and effect throughout the Term all licenses and permits required to be maintained by Manager in connection with the performance of the Services. Manager shall cause its Affiliates, others acting under Manager's direction and Manager's Subcontractors to maintain all licenses and permits required to be maintained by them in connection with the performance of the Services.

## 8. CONFIDENTIALITY

- 8.1. Confidentiality. Manager and the Members agree that any material, information, data and other communications disclosed during the performance of this Agreement by Manager (its Affiliates or those acting

under its direction) or the Members, the Members' Affiliates or those acting under the Member's direction (the "Disclosing Party") to the other Party (the "Receiving Party") and, if in writing, marked as "Confidential" or "Proprietary," or, if disclosed orally, designated as confidential at the time of disclosure as confidential information ("Confidential Information") and shall not be disclosed by the Receiving Party unless otherwise permitted by this Agreement. The Parties agree that, to the extent practicable, orally disclosed Confidential Information shall be reduced to writing within ten (10) days of disclosure and marked as "Confidential" or "Proprietary." Manager and the Members further agree that any material, information, data and other communications relating to a Party's past, present or future research, development and/or business operations, strategies or ideas, including, without limitation, customer information and/or information relating to a Party's business methodologies, plans, systems, programs or forecasts that provides such Party with a competitive advantage, that is not generally known by persons not employed by such Party and that could not easily be determined or learned by someone outside its organization shall be deemed to be Confidential Information and shall not be disclosed by the Receiving Party unless otherwise permitted herein. Manager Confidential Information shall include, without limitation: (i) any information pertaining to the existence as well as the nature of any alliances, partnerships or other contractual arrangements that Manager or its affiliates may have with third parties, (ii) any of Manager's "Play Books," and (iii) any information pertaining to Manager's "Incentives" concepts. Manager and the Members further agree that all Confidential Information is and will remain the property of the Disclosing Party and that such Confidential Information will not be copied or reproduced without the express written consent of the Disclosing Party, except for such copies as may be reasonably required for internal evaluation or performance by the Receiving Party. Such copies shall be clearly marked as "Confidential" or "Proprietary." All Confidential Information, including copies thereof, will be returned to the Disclosing Party within thirty (30) days of receipt of written request for the return of such information.

8.2. Notwithstanding the expiration or termination of this Agreement, each Party agrees, upon such expiration or termination, to return to the Disclosing Party all Confidential Information that has been reduced to writing or, in the alternative, to certify to the Disclosing Party, that the Confidential Information has been destroyed.

8.2.1. Neither Party shall be liable for disclosure or use of any Confidential Information if:

- 8.2.1.1. It was in the public domain at the time it was disclosed or used, except through the fault of the Receiving Party; or
- 8.2.1.2. It was disclosed with the written permission of the Disclosing Party; or
- 8.2.1.3. It becomes known to the Receiving Party from a source other than the Disclosing Party without a breach of this Agreement by the Receiving Party; or
- 8.2.1.4. It was independently developed by the Receiving Party without the benefit of the information received from the Disclosing Party; or
- 8.2.1.5. It was disclosed under legal process or other legal requirement (unless after notice to the other Party, a Party is legally restrained from doing so prior to disclosing or furnishing such information) and each Party agrees to cooperate in seeking reasonable protective arrangements requested by the other Party, and to promptly notify the other Party if the Receiving Party receives any subpoena or other legal process seeking disclosure of Confidential Information.

8.3. The Parties recognize that Confidential Information provided by the Disclosing Party to the Receiving Party will be made available solely for the purpose of performing work under this Agreement and the Receiving Party shall not use that such information for any other purpose. The Disclosing Party shall have the right, upon unauthorized disclosure of any Confidential Information by the Receiving Party to a third party and upon written notice to the Receiving Party by the Disclosing Party, to demand that the Receiving Party use its best efforts to obtain the return of such information from the third party. This demand shall be in addition to any other legal or equitable remedy the Disclosing Party may have.

8.4. To the extent necessary to satisfy the provisions of this Section, Manager shall require Manager Employees, Subcontractors, Vendors, agents and others performing work under this Agreement to enter into such agreements as may be required to implement the provisions of this Section.

- 8.5. Upon the prior written consent of a Member, which consent shall not be unreasonably withheld, conditioned or delayed, Manager may identify a Member as a customer of Manager and may display such Member's logo (as applicable) only in connection with such identification. Manager shall not otherwise display a Member's logo, and shall not utilize other trademarks or service marks of a Member, without the Members' prior written consent. Manager may not issue any press, media or publicity releases or give statements to the media identifying any Member or relating to this Agreement or any Leased Property without such Member's prior written consent.
- 8.6. The provisions of this Section 8 with respect to Confidential Information shall survive the termination or expiration of this Agreement for a period of five (5) years.

## 9. REPORTS

- 9.1. Reports. Manager agrees to provide the Members' Representative any reports that may be reasonably required and specifically any that may be defined in Appendix "A", the final form(s) of which shall be subject to the reasonable approval by the Members' Representative. Reports shall be delivered electronically (i.e., via e-mail), or upon the Members' Representative's request, in paper format. At the Members' Representative's request, Manager agrees to provide a copy of any report it is required to produce under this Agreement to the Authority.
- 9.2. Audit Rights. Upon reasonable notice, a Member or its representative shall have the right from time to time (including, without limitation, the final report in Section 9.3 after termination hereof) to inspect and/or audit, at such Member's expense, the books and records maintained by Manager in connection with the Services at the location where Manager maintains such books and records. The inspection and/or audit shall be conducted during normal business hours and shall not unreasonably interfere with the conduct of Manager's business. The auditing Member shall pay the cost of each audit within thirty days after receipt of an invoice, unless such audit discloses a billing error in favor of Manager in excess of the greater of (i) \$10,000 or (ii) two percent (2%) of the amounts audited, in which event Manager shall pay such cost. The Parties shall pay or reimburse each other any amounts determined to be owing, as applicable, as a result of such audit, within 30 days after receiving an invoice.
- 9.3. Final Report. Within sixty (60) days after the termination of this Agreement, Manager shall deliver to the Members' Representative a final report, in such form as the Members' Representative may reasonably require, which shall include a calculation of the balance of any compensation due and payable to Manager, or of any refund due and payable to the Members. The Party owing any money on the basis of such final report shall promptly pay the sum due. Subject to Section 8 above and Section 17 below, Manager shall also deliver to the Members' Representative with such final report originals of all documents, books, records, equipment, materials, disks, etc., associated with the performance of the Services and other property of the Members in the possession of Manager, and Manager shall direct all Subcontractors and Vendors to deliver such items in their possession directly to the Members' Representative.
- 9.4. Record Retention. Manager shall retain and maintain all records and documents relating to this Agreement for a minimum of four (4) years after final payment by the Members hereunder.

## 10. ASSIGNMENT

- 10.1. Manager shall not assign this Agreement in whole or in part to any Person without the prior written consent of the Members and the Authority, which consent may be unreasonably withheld or unreasonably conditioned at the sole discretion of Members or the Authority. Any assignment made in violation of this Section shall be null and void and shall constitute a default under this Agreement.
- 10.2. Notwithstanding the above, Members and the Authority consent to the assignment of this agreement to Conrac Managers SAN, LLC, a wholly owned subsidiary of Conrac Solutions, LLC.

## 11. MEMBERS' COVENANTS

- 11.1. Members' Obligations. Each of the Members shall furnish, and shall cause its employees (if any), contractors, consultants and agents to furnish, at Members' expense, such information and cooperation as shall be

reasonably required by Manager in order for Manager to deliver the Services required hereunder. The Members shall render all required approvals and decisions with reasonable promptness for the orderly performance of the Services. The Members shall provide such information and documentation regarding the individual properties and projects subject to this Agreement as may be reasonably required for Manager to perform the Services as required under this Agreement including goals, objectives, constraints and criteria subject to and in accordance with the terms and provisions of this Agreement.

#### 11.2. Members' Representative; Airport Representative;

11.2.1. The Members shall designate an individual (the "Members' Representative") who, unless and until replaced by at least five (5) business days' prior written notice to Manager, shall function as the Members' primary and authorized agent and representative in connection with matters relating to this Agreement. The designated Member's representative as of the date of this Agreement is defined in Appendix C. Each Member hereby represents and warrants to Manager that Manager may rely on the authority of the Members' Representative to act on behalf of the Members, as provided under the terms and provisions of this Agreement and any other Governing Document.

11.2.2. The Members shall identify an individual (the "Airport Representative") who, unless and until replaced by at least five (5) business days' prior written notice to Manager, shall function as the Authority's primary contact and representative in connection with matters requiring Authority approval, consent, or input. The designated Airport Representative as of the date of this Agreement is defined in Appendix C.

#### 11.3. Funding, Budgeting, Billing and Payment.

11.3.1. Funding. Members shall allocate funds established by the Operating Budget to a trust account established and managed by the Manager ("Operating Account"). The allocation of the Members' funding obligations shall be established by agreement between the Members, but on the basis of the percentage of space within the Serviced Facilities if Members provide no other allocation direction.

11.3.2. Budgeting Process. No later than sixty (60) days prior to the start of each calendar year, Manager shall estimate common costs, including its Management Fee and the cost of all of the Services required by Members under this Agreement and propose an operating budget ("Operating Budget") for the next calendar year. The Budget shall not include any items outside the agreed-upon Scope of Work. Manager shall present the proposed Operating Budget to the Members for discussion, negotiation, and approval. In the event a final Operating Budget for the next year is not approved by the Members by December 1, Manager shall implement the proposed Operating Budget until such time as a new Operating Budget is approved. An approved Operating Budget shall be subject to adjustment for unforeseen circumstances only as may be approved in writing by the Members Representative.

##### 11.3.3. Billing and Payment.

11.3.3.1. Payment for Operating Budget Costs. Manager shall allocate the total Operating Budget each year among the Members according to the direction of Members, but on the basis of the percentage of facility square footage occupied by each Member if Members provide no other allocation direction. Manager shall submit to each Member a monthly Operating Budget Request for Funding for the Member's allocated monthly share of the Operating Budget to be paid on the first of each month in advance. Each Member shall be required to pay into the Operating Account the amount required under the Member's Operating Budget Request for Funding by the first day of each month.

11.3.3.2. Exclusive Use Costs. Other than for the cost of fuel, expenses for any Member's exclusive costs and/or costs for service or repairs that are incurred by any individual Member apart from the Operating Budget are to be paid in advance (if the cost is known in advance), or as incurred (if not known in advance) by the benefited Member within 30 days of request for payment from Manager. The Manager may pay the associated costs on behalf of that Member from the Member's Member Deposit, which shall then be replenished by the Member upon request by the Manager.

- 11.3.3.3. Member Deposit. At the inception of this Agreement, Members shall place a minimum deposit in the Operating Account in an amount equal to the Member's allocated share of three (3) months' common costs under the Operating Budget to be used by Manager as working capital going forward. The Member Deposit funds shall be deposited in a Trust Fund set up and maintained by the Manager, which funds are to be used as provided herein, but the allocated share that each Member is responsible to maintain shall be subject to ongoing individual accounting. Thereafter each Member shall pay monthly to the Operating Account its allocated Operating Budget funding amounts, not later than the 1st of each month, and all individually contracted exclusive use expenses no later than 30 days from receipt of request for payment. The deposit may be reviewed for appropriateness and sufficiency in conjunction with the annual budget process and may be adjusted once per budget cycle. Actual costs expended during a previous year for both budgeted and unbudgeted amounts may be considered in determining the Member Deposit in each year after the initial year.
- 11.3.3.4. Annual Reconciliation. An annual reconciliation of payments and accounts shall be made and payments due to or from each Member and a true-up of accounts at the end of every twelve (12) calendar months. In the event there is an underpayment, each Member shall be obligated to pay its allocated share of any shortfall and if there is an overpayment, it shall be taken into consideration as a credit in the next Operating Budget.
- 11.3.3.5. No Joint or Several Liability. In no event shall any Member be required to assume the debt of another Member as there is neither joint nor several liability under the terms of this Agreement. In the event a Member fails to pay timely any amount it is to pay under this Agreement, Manager shall give prompt written notice to Member's Representative and that Member within five (5) days. If within five (5) days after such notice there is still a failure to make the past due payment, Manager shall give notice to Members' Representative and the Airport Representative of such failure of the Member to make timely payment. If payment has not been made within thirty (30) days of said notice, the non-paying Member shall be in default and shall forfeit any right it may have to benefits of this Agreement. The Manager shall request the Authority declare the Member in default under its License Agreement and remove such defaulting Member from the Leased Property. In addition, Manager shall cease to provide such services that would allow the defaulting Member to continue to operate.
- 11.3.4. Deposit Use upon Termination. Upon the expiration or termination of this Agreement, Manager may manage the funds, if any, held on deposit in the Operating Account as security for each Member's payment obligations under this Agreement for a period of up to thirty (30) days following the later of: (i) the date of expiration or termination, if Manager will not have continuing transition obligations as contemplated under Section 20 below or (ii) the conclusion of Manager's provision of transition services under Section 20 below, and Manager shall be entitled to draw upon such funds to pay a Member's obligations hereunder.
- 11.3.5. Fuel Supply Costs. If fuel supply management is or becomes a part of the Services under this agreement, the costs of fuel provided to each Member shall be handled as separately agreed to by the Parties for ordering, purchasing, billing and payment of fuel. Nevertheless, in the event that a Member has failed to pay for fuel within ten (10) calendar days of an invoice, Manager may suspend that Member's use of fuel through the Fuel System until payment is received in full. Manager will provide written and verbal notice of Member's failure to pay and Manager's intention to suspend fuel at least three (3) days prior to any suspension. In the event a Member receiving fuel supply services defaults under the terms of this Agreement, Manager shall then stop the supply of fuel to that Member.
- 11.3.6. Members are required to maintain, at all times, working capital in the Account sufficient to fund all anticipated expenses (including Manager's compensation and other reimbursable items) as set forth in the Approved Budget to the equivalent of three (3) months of expenses. The Manager will, with the approval of the Members' Representative, adjust the Approved Budget to account for increases and decreases in the budget expense and will notify the Members of the required working capital to be deposited with the Members no later than ten (10) working days prior to such payment being due. In the event from time to time a Member does not pay any sums properly due within ten (10) business days



following receipt of an invoice from Manager, then Manager shall deliver notice to the Members' Representative and all of the Members notifying them of such occurrence, and Manager shall deduct from the Account the amount due from the defaulting Member ten (10) business days after notice to the Members' Representative and all of the Members. If, at any time, the funds in the Account allocable to a defaulting Member shall be insufficient to cover the defaulting Member's allocable share of the anticipated expenses for the Services as set forth in the Approved Budget for at least the next quarter, then Manager shall promptly notify the Members' Representative. Ninety (90) days following the delivery of such notice by Manager, if the occurrence is not remedied, a Member Default shall be deemed to have occurred, this Agreement as to such defaulting Member shall terminate, and Manager may proceed in accordance with Section 14.2 below without further action by Manager or notice to the Members' Representative or the Members. During such ninety (90) day period, the Parties may, without obligation, discuss potential reductions in the scope of the Services, re-allocations in the non-defaulting Members' shares of expenses and/or other possible means to mitigate the exposure to Manager of such default; provided, however, that in the absence of a definitive, written agreement between the Parties in their sole discretion, or Manager's written agreement waiving such Member Default in its sole discretion, this Agreement shall terminate automatically at the expiration of such ninety (90) day period. Notwithstanding the forgoing, in any event where a Member has failed to pay its fuel invoice within ten business days of its invoice and after three days written notice of its failure to pay, then Manager may refuse to deliver fuel to such Member until such time as the account is brought current. Fuel will be ordered, purchased, and billed in a manner which the RACs and the Fueling Facility Manager agree to.

- 11.3.7. Upon the expiration or termination of this Agreement, Manager may retain the funds in the Account as security for each Member's payment obligations under this Agreement for a period of up to thirty (30) days following the later of (i) the date of expiration or termination, if Manager will not have continuing transition obligations as contemplated under Section 20 below, or (ii) the conclusion of Manager's provision of transition services under Section 20 below, and Manager shall be entitled to draw upon the Account, as the case may be, upon a failure of such Member to pay its obligations.

## 12. NON-DELEGATION

- 12.1. The Members have entered into this Agreement in reliance upon the knowledge, experience and expertise of Manager. The Members shall not be required to accept performance under this Agreement from any person or entity, including, without limitation, should Manager become a debtor or debtor in possession under the United States Bankruptcy Code or similar state or federal laws, or any trustee of Manager appointed under the United States Bankruptcy Code or similar state or federal laws or any assignee of Manager as such debtor or debtor in possession or of such trustee.

## 13. DEFAULT

- 13.1. Default by Manager. Each of the following shall constitute a default by Manager (a "Manager Default") under this Agreement:

- 13.1.1. Manager defaults in its performance of the Services, or defaults in the performance of or breaches any of its other covenants, agreements or obligations under this Agreement, and such default or breach continues for a period of ten (10) days after written notice of such default or breach from the Members' Representative, unless such default cannot reasonably be cured within such ten (10) day period, in which event if Manager shall have commenced curing the default within such ten (10) day period and continuously proceeds with such cure in a diligent manner, then Manager shall have a reasonable time period within which to complete curing the default.

- 13.1.2. If all or substantially all of the assets of Manager are attached, seized, or levied upon, or come into the possession of any receiver, trustee, custodian or assignee for the benefit of creditors, and the same is not vacated, stayed, dismissed, set aside or otherwise remedied within thirty (30) days after the occurrence thereof;

- 13.1.3. If any petition is filed by or against Manager under the United States Bankruptcy Code or any similar state or federal law, whether now or hereafter existing (and, in the case of involuntary proceedings, Manager fails to cause the same to be vacated, stayed or set aside within thirty (30) days after filing); or

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13.1.4. Manager assigns this Agreement in breach of Section 10.1 and fails to cure such breach, by completing a re-assignment to Manager, within five (5) days after notice of such breach from the Members' Representative.

13.2. Default by Members. Each of the following shall constitute a default by a Member (a "Member Default") under this Agreement:

13.2.1. A Member Default is deemed to have occurred under Section 11.3 hereof.

13.2.2. Except as set forth in the preceding clause 13.2.1, a Member defaults in the performance of or breaches any of its material covenants, agreements or obligations under this Agreement, or any of the Governing Documents, and such default or breach continues for ten (10) days after written notice of such default or breach from Manager, unless such default cannot reasonably be cured within such ten (10) day period, in which event if Member shall have commenced curing the default within such ten (10) day period and continuously proceeds with such cure in a diligent manner, then Member shall have a reasonable time period within which to complete curing the default.

13.2.3. If all or substantially all of the assets of a Member are attached, seized, levied upon or come into the possession of any receiver, trustee, custodian or assignee for the benefit of creditors, and the same is not vacated, stayed, dismissed, set aside or otherwise remedied within thirty (30) days after the occurrence thereof; or

13.2.4. If any petition is filed by or against a Member under the United States Bankruptcy Code or any similar state or federal law, whether now or hereafter existing (and, in the case of involuntary proceedings, a Member fails to cause the same to be vacated, stayed or set aside within thirty (30) days after filing).

#### 14. DEFAULT REMEDIES

14.1. Remedies upon Manager Default. Upon the occurrence and continuance of an uncured Manager Default, the Members' Representative may terminate this Agreement and exercise all remedies available at law or in equity. In addition, with or without terminating this Agreement: (i) the Members' Representative may remove Manager from the Serviced Facility, in accordance with applicable laws or other proceeding as may be applicable, and take possession of the office space and equipment utilized by Manager hereunder; (ii) the Members' Representative may hire replacement Persons to perform the Services on such terms and conditions as the Members' Representative, in its sole and absolute discretion, may determine is desirable; and (iii) Manager shall be liable for all reasonable fees, costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by the applicable Member in pursuit of its remedies hereunder. In addition, with or without terminating this Agreement, if a Manager Default occurs under Section(s) 13.1.1 above, a Member shall have the right, but not the obligation, to notify the Manager that the Member will cure such Manager Default and then proceed to cure it at the expense of Manager. Manager agrees to promptly reimburse such Member for the actual cost of such cure within fifteen (15) days following receipt from such Member of an itemized statement of such cost. All rights and remedies are cumulative, and the exercise by a Member of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy.

14.2. Remedies upon Member Default. Upon the occurrence and continuance of an uncured Member Default, Manager, after having provided written notice thereof to the Members' Representative, may terminate this Agreement as to such defaulting Member and exercise whatever remedies that are available at law or in equity. The defaulting Member shall be liable for all reasonable fees, costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by Manager in pursuit of its remedies hereunder. All rights and remedies are cumulative, and the exercise by Manager of any such right or remedy shall not prevent the concurrent or subsequent exercise of any other right or remedy.

#### 15. NOTICES

15.1. All notices, waivers, approvals, consents, demands, requests or other communications required or permitted under this Agreement shall, unless otherwise expressly provided, be in writing and be deemed to have been properly given, served and received (i) if delivered by messenger, when personally delivered, (ii) if mailed, on the fourth (4th) business day after deposit in the United States Mail, certified or registered, postage prepaid,

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return receipt requested, or (iii) if delivered by reputable overnight express courier, freight prepaid, the next business day after delivery to such courier; in every case addressed to the Party to be notified as detailed in Appendix "C".

- 15.2. Notices shall be sent with required copies to each Member (unless Manager is required under this Agreement to provide notice only to Members' Representative): As set forth on Appendix "C" attached hereto and made a part hereof, or to such other address(es) as any Party entitled to receive notice under this Agreement shall designate to the others in the manner provided in this Agreement for the service of notices.

## 16. MISCELLANEOUS

- 16.1. Entire Agreement. This Agreement contains the entire agreement and understanding of the Parties with respect to the subject matter of this Agreement, and all prior agreements, understandings and negotiations pertaining to such subject matter are superseded by and merged into this Agreement. This Agreement may not be amended, modified or discharged, nor may any of its terms be waived except by an instrument in writing signed by the Parties.
- 16.2. Successors and Assigns. Subject to the provisions of Section 10 of this Agreement, this Agreement and all of its provisions shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.
- 16.3. Waiver. No consent or waiver, either expressed or implied, by any Party to or of any breach or default by the other Party in the performance by such other Party of its obligations under this Agreement, shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other Party of the same or any other obligations of such other Party under this Agreement. Failure of any Party to complain or to pursue complaints with respect to any acts or failure to act of any other Party, or failure of any Party to declare the other Party in default, irrespective of how long such default continued, shall not constitute a waiver by such Party of the rights and remedies under this Agreement or otherwise at law or in equity.
- 16.4. Additional Acts. In connection with this Agreement, as well as all transactions contemplated by this Agreement, each Party agrees to execute and deliver such additional documents, instruments and take all such necessary action and to perform such additional acts as may be reasonably necessary or appropriate or which the other Party may reasonably request to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and such transactions.
- 16.5. Environmental Matters. Manager acknowledges that part of the premises managed by Manager consists of car washes, oil dispensers, the Fuel System, and other possible sources of Hazardous Materials. Manager is responsible for managing, operating and maintaining the facility and equipment, which may include the Fuel System(s), including car washes, oil and fuel dispensers, piping, storage tanks, pumps and other mechanical systems. The Manager shall work on behalf of the Members in good faith to keep Hazardous Materials from leaking into the environment or creating conditions or issues pertaining to Hazardous Materials.
- 16.5.1. At locations where Manager acts as fueling manger, in addition to providing the Services pertaining to this Agreement, each Member receiving such fueling management services and Manager agree and acknowledge that Manager is the "Operator" of that specific fuel system and tenant fueling operations therein or thereon for purposes of current or pending federal, state or local laws pertaining to automobile fuel; Manager's responsibilities to each Member as operator end on the date of termination of this Agreement. This section only applies to Leased Facilities that also include fuel provision and site management.
- 16.5.2. Manager shall be responsible for the storage, transportation, disposal, abatement, cleanup or removal of, or other dealings with, Hazardous Materials (each a "Hazardous Activity"), including gasoline in the Fuel System(s) (if acting as "Operator" of such Fuel System(s)), used by or brought onto the Leased Property by Manager in the ordinary course of its Services. Manager shall not use Hazardous Materials except in the ordinary course of its Services and in compliance with applicable Federal, state and local laws, rules and regulations existing or which may exist. Manager must provide to Members upon request copies of material safety data sheets (SDS) for all Hazardous Materials used by Manager on Leased Property.

- 16.5.3. With respect to any Hazardous Materials that may be present below, on, under, in, about or otherwise affecting the Leased Property Manager shall be responsible for detecting, removing, remediating or otherwise determining how to deal with such Hazardous Materials (defined below). Where available, environmental baseline reports will be used as a basis for determining levels of contamination and subsequent remediation efforts.
- 16.5.4. Manager shall notify the Members within twenty-four (24) hours of any spill, detected leak or other Hazardous Materials event that is required to be reported to any federal, state or local authority.
- 16.5.5. As used herein, "Hazardous Materials" shall mean any hazardous material or substance which is or becomes defined as a "hazardous waste," "hazardous substance," "hazardous material," pollutant, or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601) as amended, and/or the Resource Conservation and Recovery Act (42 U.S.C. § 6901).
- 16.5.6. Throughout the Term of this Agreement, Manager shall purchase and maintain Environmental Liability Insurance in the amount of one (\$1,000,000) million dollars. Said insurance will be the primary insurance for all environmental risks at the Serviced Facilities and will cover the cost of removal, transport and disposal of all Hazardous Materials.
- 16.5.7. Throughout the Term of this Agreement, Manager shall purchase and maintain Pollution Legal Liability Insurance in the amount of one (\$10,000,000) million dollars. Said insurance will be the primary insurance for all fueling operations and covering gradual, sudden and accidental pollution including first and third party clean-up.
- 16.6. Covenant of Good Faith and Fair Dealing. This Agreement imposes an obligation of good faith and fair dealing on the Members and Manager in the performance and enforcement of their duties and obligations as specified herein. The Members and Manager, with a shared commitment to honesty and integrity in the performance and administration of this Agreement, agree to the following mutual duties:
- 16.6.1. Each will be held to a standard of good faith and fair dealing in the performance of its duties and obligations under this Agreement.
- 16.6.2. Each will function within the laws and statutes applicable to their duties and responsibilities.
- 16.6.3. Each will cooperate in the other's performance.
- 16.6.4. Each will avoid hindering the other's performance.
- 16.6.5. Each will proceed to fulfill its obligations under this Agreement diligently and honestly.
- 16.6.6. Each will cooperate in the common endeavor of completing the Services and administration of this Agreement in a timely and efficient manner.
- 16.7. Force Majeure. No delay or failure in performance by the Members or Manager shall constitute a default under this Agreement if and to the extent such delay or failure is caused by Force Majeure. Unless the Force Majeure substantially frustrates performance of the Services, Force Majeure shall not operate to excuse, but only to delay, performance of the Services so affected. If the Services are delayed by reason of Force Majeure, Manager promptly shall notify the Members' Representative. Once the Force Majeure event ceases, Manager shall resume performance of the Services as soon as possible. As used herein, "Force Majeure" means any event beyond the control of the Party claiming inability to perform its obligations and which such Party is unable to prevent by the exercise of reasonable diligence, including, without limitation, worker strikes, embargoes, fire, explosions and other catastrophes, casualties, a moratorium on construction, delays in transportation, governmental delays in granting permits or approvals, changes in laws, expropriation or condemnation of property, governmental actions, unavailability or shortages of materials, national emergency, war, civil disturbance, floods, unusually severe weather conditions or other acts of God or public enemy.

Inability to pay or financial hardship, however, shall not constitute Force Majeure. Notwithstanding the foregoing, in the event of a Force Majeure event or an Emergency (as defined in Appendix "A" attached hereto), Manager shall use all commercially reasonable efforts to mitigate the effects of such Force Majeure or Emergency.

16.8. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

16.9. Authority. Each Party represents and warrants that it is authorized to enter into this Agreement, the person signing on its behalf is duly authorized to execute this Agreement, and no other signatures are necessary.

## 17. INTELLECTUAL PROPERTY

17.1. Nothing in this Agreement grants any Party any right to use, directly or indirectly, the trade names, trademarks or other intellectual property of another Party in connection with any product, service, promotion or publication without the prior written approval of the owner of the trade name, trademark or other intellectual property.

17.2. All reports, programs, manuals, tapes, listings and other material prepared by Manager pursuant to this Agreement shall belong exclusively to the Members. Manager shall receive no right or interest to any proprietary products owned by the Members. The Members shall receive no right or interest to any proprietary products owned by Manager or any third party and used by Manager to perform pursuant to this Agreement, including, but not limited to, Manager's proprietary tools, systems, procedures, workshops, software, concepts, ideas, inventions, know-how, other intellectual capital and methodologies, except to the extent otherwise agreed by the Parties in a separate written agreement signed by an authorized representative of each Party, nor shall the Members receive any ownership or right to any of Manager's working papers, such as administrative and quality assurance documents or internal correspondence. Performance of the Services by Manager shall not be deemed to be a prohibition of, or interfere in any manner with Manager's provision of similar services to third parties, provided that Manager in so doing, does not make use of or disclose any Confidential Information of the Members.

## 18. GIFTS AND GRATUITIES

18.1. Manager shall not give or offer any material gifts or gratuities of any type to employees of the Members or members of their families.

18.2. The Members shall not give or offer any material gifts or gratuities of any type to employees of Manager or any Subcontractor or Vendor or members of their families.

18.3. Manager will not accept or receive, and will not permit its employees to accept or receive, any material gift or gratuity from any Subcontractor, Vendor or third party with which Manager may have, or seek, a relationship for the performance of the Services under this Agreement.

## 19. MEMBERS' PROCEDURES

19.1. Manager shall comply with the Members' Representative's procedures, processes and work and safety rules which may be communicated in writing to Manager from time to time. The Members' Representative shall communicate such requirements in a timely fashion so that compliance expense can be properly reflected in each Approved Budget and a material change in such procedures, processes and work and safety rules after an Approved Budget is adopted is a basis for an equitable adjustment to the Approved Budget. Manager shall at all times exercise reasonable care to prevent damage or injury to persons and the Members' property at the Serviced Facilities and shall not engage in any conduct which would endanger, or might interfere with, the operation of the Members' business and, in particular, with the continuity of its services, at the Serviced Facilities.

## 20. TRANSITION UPON EXPIRATION OR TERMINATION.

20.1. Upon the expiration or termination of this Agreement, the Members and Manager shall work together for a reasonable period of time, to be mutually agreed upon, in good faith, but in no event in excess of three (3) months, provided Manager is paid in full throughout such period, to assure the orderly transition of all the Services back to the Members or to contractor or property manager designated by the Members and to ensure, to the extent possible, that the Services are maintained without interruption. This provision shall survive the termination or expiration of this Agreement.

EXECUTIONS

IN WITNESS WHEREOF, the Parties have executed this Agreement effective as of the date first above written.

**MANAGER:**

CONRAC SOLUTIONS, LLC

---

Desiree Pfeffer, CEO  
Conrac Solutions, LLC

**MEMBERS:**

Members' Representative

---

Advantage Opco, LLC dba Advantage Rent A Car  
Tower 101  
101 N. E. Third Ave, Suite 1600  
Fort Lauderdale, FL 33301  
Name: Bill Plamondon

Title: President and CEO

SO CONSENTED, as of the \_\_\_\_\_ day of  
\_\_\_\_\_, 2015. San Diego County Regional  
Airport Authority

By: \_\_\_\_\_

Its: \_\_\_\_\_

## APPENDIX “A” – SCOPE OF FACILITIES MANAGEMENT AND OPERATIONAL SERVICES

The Scope of Facilities Management and Operational Services (“Services”) includes but is not limited to the following:

- 1) Work to cultivate a positive and productive relationship with the Members, the Authority, and their employees to facilitate and ensure Members’ and Authority’s Lease obligations for maintenance of the Leased Property are met.
- 2) Provide facility-wide operational initiatives, purchasing, vendor management, and continuous improvement ideas to Members. Develop proposals for cost-saving or other quick-payback changes to operations or assets.
- 3) Provide facility management services in a commercially responsible and reasonable manner for all Leased Property, including all necessary efforts and resources, to ensure the lowest overall cost of preventive, routine, and emergency maintenance and operational activities.
- 4) Act as Members’ liaison to and coordinate with Airport personnel or its representative for general site management, routine issues, public relations and safety, Common Transit System operations, and other services in accordance with Manager’s responsibilities under this agreement.
- 5) Insofar as a service or system is not excluded from the List of Serviced Facilities (Appendix “A-1”), the following services and building systems are included as part of Manger’s responsibilities:
  - a) Mechanical systems, electrical, lighting & signage, plumbing, HVAC, building technology
  - b) General repairs, doors, locks, gates, light carpentry, graffiti removal, and touch-up painting
  - c) Life/safety & fire protection systems: sprinklers, alarms, extinguishers
  - d) Janitorial, floor care, common areas, trash & recycling, restrooms
  - e) Landscaping (interior and exterior), pest control, snow and ice removal, roof and storm drains
  - f) Common employee parking areas, curbside equipment coordination, conveyance equipment
  - g) Security services pursuant to Members’ goals
  - h) Fuel system, tanks, pumps, piping, sensors and alarms as defined in Appendix “A-1”
  - i) QTA equipment, carwash, vacuum, compressed air, and washer fluid systems
  - j) Structure, concrete, asphalt, roofs and canopies, glazing
  - k) Accounting, proper allocation of costs, budgeting, invoice payment, records and reports
  - l) Act as facility liaison for Member tenant improvements, minor and major Airport projects
  - m) Environmental reporting, licensing, and HAZCOM programs, insurance
- 6) Provide management of certain services, as specifically requested, to exclusively allocated Leased Property at the exclusive cost of the benefitting Member. Such services may be subject to additional management fees, are available equally to all Members, and include, but are not limited to, any of the following:
  - a) Fuel provision and management of fuel system, data, pricing, and equipment
  - b) Vendor management (janitorial, security, mechanical trades, etc.)
  - c) Supplies and chemical procurement, (car wash soaps, windshield wiper fluid, oil, etc.)
- 7) All Services and appropriate service levels are to be recommended by the Manager and are subject to approval by the Members. The mechanism for conveying Member approval shall be the annual Operating Budget.
- 8) Excluded from Manager’s responsibilities are the following:
  - a) Maintenance, preparation, servicing of rental car vehicles, transit vehicles or equipment,
  - b) Traveling public customer service, lost and found services,
  - c) Functions that are otherwise provided directly by the Authority or by any Member.
  - d) Major Maintenance Items, as defined in Appendix “A-3”, which require significant additional time or expense. Manager may perform Major Maintenance Items through a project-specific agreement.

{10708-070-00238550;1}



- 9) Fueling Operations & Maintenance
  - a) Operations
    - i) Prepare an Annual Management Plan, Operating Budget, and Inventory Plan.
  - b) Manage Fuel Deliveries:
    - i) Coordinate and manage fuel purchases and deliveries.
    - ii) Handle fuel deliveries in accordance with all laws, rules, regulations, and advisories from all applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA.
    - iii) Monitor and report on all activities associated with the daily fueling inventory levels.
    - iv) Check fuel tank after deliveries.
    - v) Determine and designate fuel operation areas and acceptable routes for fuel tanker trucks.
    - vi) Develop and provide to all \_\_\_ RAC Participants an Emergency Fuel Delivery Plan that will enable the operation of the QTA for at least thirty (30) days from the date any such Emergency Fuel Delivery Plan must be implemented by the \_\_\_ RAC Participants.
  - c) Inspections
    - i) Check, inspect, and collect any and all data from the Veeder Root Tank Monitoring Systems or other monitoring system attached to the fuel tank.
    - ii) Inspect entire fuel system.
  - d) Leak Monitoring & Alarm Management:
    - i) Respond immediately to all fuel alarms and events.
    - ii) Monitor all fuel storage, dispensing and leak-detection equipment.
    - iii) Implement web-based electronic system that monitors and tracks fuel inventory for all Participants.
  - e) Equipment Testing
    - i) Perform tank and line testing as required by all applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA.
    - ii) Annually test and continuously monitor the underground lines.
  - f) Tank Equipment Maintenance
    - i) Prepare an Annual Maintenance Plan.
  - g) Permitting, Manage Permits and compliance deadlines:
    - i) Provide and maintain annual registration, licenses, permits and any other requirements by the applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA, for the fuel tank and for all related fuel-dispersal equipment/activities to ensure uninterrupted fuel supply to the QTA & to assist the Authority with their respective obligations to maintain similar items.
    - ii) Prepare any and all reports and/or documentation required by the applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction fifteen (15) days prior to its due date for all Airport RAC Participants' review and written approval thereof.
  - h) Agency Inspections & Agency Inspection Management.
    - i) Take any and all required necessary follow-up corrective and/or enforcement actions (including paying fines) assessed by applicable authorities (i.e., City, County, State, Federal, etc.) having jurisdiction over the QTA.
  - i) Recordkeeping
    - i) Compliance Documentation Management:
      - (1) Above-Ground Petroleum Storage Tank Plan Spill Prevention Control and Countermeasures Plan, Hazardous Materials Business Plan, and provide copies thereof to all Airport RAC Participants and to the Authority's Properties' Department.
  - j) Communication
    - i) Provide monthly operating and maintenance reports in a format acceptable to Members.

APPENDIX "A-1" – LIST OF SERVICED FACILITIES

REFERENCE LEASE "EXHIBIT A" and "EXHIBIT B" and "EXHIBIT C"

1. Rental Car Center Site
  2. Common Use Area
  3. Fuel Facilities
  4. Small Operator Shared Area
  5. Those portions of the Reserved Area utilized in the management and operation of the Rental Car Center or Common-Use Transportation System, and
  6. Exclusive Use Areas as requested by individual members.
-

## APPENDIX "A-2" – MAINTENANCE AND REPAIR STANDARDS

### FROM LEASE "EXHIBIT H"

Per the requirements set forth in Article 15 of the Lease Agreement, the Operators and Operator shall operate and maintain the Rental Car Center and Rental Car Center Site based upon the following Operations and Maintenance Standards and Requirements.

#### Operations

The Rental Car Center and the Rental Car Center Site is intended to be in operation twenty-four (24) hours per day and seven (7) days a week. The Rental Car Center and Rental Car Center Site will be operated to meet the needs of the employees, customers and visitors as reasonably defined for a rental car concession.

Additional Operational standards and requirements include:

1. The Facility Manager, or approved alternate, and Fuel Facility Manager, or approved alternate, will be available twenty-four (24) hours per day and seven (7) days a week. The Facility Manager and Fuel Facility Manager will maintain up to date contact information with the Authority.
2. The Facility Manager shall develop a customer comment process that includes the ability to receive, track, and respond to customer comments in a timely fashion. The customer comment process will be developed with the Authority staff and will require the Authority approval prior to its implementation or any significant future modification.
3. The Facility Manager shall be responsible for the initial keying and future re-keying of the Rental Car Center except for those areas identified as Reserved Areas (as defined in "Exhibit C-5").
4. The Facility Manager and Fuel Facility Manager shall provide to the Operators the training necessary to operate the equipment and systems in the Rental Car Center, specifically the QTA Areas.
5. The Facility Manager shall provide solid waste and recycling services for the Rental Car Center and Rental Car Center Site, including the compacting equipment located adjacent to the Customer Service Building and QTA Areas.
6. The Facility Manager shall operate and manage the employee parking area of the Rental Car Center. The Authority will require the use of a portion of the employee parking area in support of the Common Busing operation and the maintenance and repair of the Special Building Systems and Special Airport Systems.
7. The Facility Manager shall operate and maintain the access control system, the access to the Perimeter Road, and access to each QTA Area. The Authority will require the use of the access control system in support of emergency response requirements, the Common Busing operation, and the maintenance and repair of the Special Building Systems and Special Airport Systems.
8. The Facility Manager and Fuel Facility Manager shall develop an emergency plan for the Rental Car Center and Rental Car Center Site. The emergency plan will be submitted to the Authority for review and comment thirty (30) days before the Opening Date.
9. The Facility Manager will prepare a monthly utility and operating cost report that identifies the amounts billed to each Operator (both Exclusive Use Area and Common Use Area costs), each Non-Rental Car Concessionaire, and the Common-Use Transportation System and will include the methodology used to calculate these costs. A copy of this report will be sent to the Authority each month.

### Custodial Standards

The Facility Manager shall be responsible for custodial services within the Rental Car Center and Rental Car Center Site. The Facility Manager will prepare a custodial plan that is consistent with current the Authority custodial standards for the Terminal. The custodial plan will be developed with Authority staff and will require Authority approval prior to its implementation. The custodial plan will be included in the Operations Manual and updated annually with the Operations Manual.

### Common Way Finding Signage

The Facility Manager shall be responsible for the upkeep and repair of common way finding signage, both pedestrian and vehicle oriented, located within the Rental Car Center and on the Rental Car Center Site, and specifically including the rental car company tenant inserts.

### Landscaping

The Facility Manager shall be responsible to Rental Car Center Landscaping. The specific standards will be determined following determination and installation of the landscape improvements. In addition, The Rental Car Center Site landscaping shall be maintained in accordance with public safety requirements as requested by the Authority.

The Authority reserves the right, at its sole discretion, to modify these Operations and Maintenance Standards and Requirements with thirty (30) days written notice to the Operators.

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## APPENDIX “A-3” – MAJOR MAINTENANCE ITEMS

### FROM LEASE “EXHIBIT I”

The following items are expected to be considered Major Maintenance, when, at the end of each asset’s useful life, the following occurs:

1. Full replacement of metal decking, wire mesh, or other exterior finishes with new exterior finish materials.
2. Full replacement of metal roofing, plastic roofing, skylights, gutters or downspouts with new roofing materials, skylights or gutters and downspouts.
3. Full replacement of stairs, railings, fencing or ladders.
4. Full replacement of interior floor or ceiling surfaces.
5. Full replacement of elevator or escalator equipment.
6. Full replacement of elevator interior surfaces.
7. Full replacement of plumbing system equipment (e.g., pumps and heaters) or fixtures (e.g., toilets, sinks).
8. Full replacement of heating and ventilation system equipment (e.g., air handlers, exhaust fans, heaters, chillers, condensers, HVAC controls).
9. Full replacement of the fire monitoring and alarm system.
10. Full replacement of the lighting system including light fixtures and conductors.
11. Full replacement of electrical system equipment (e.g., transfer switches, switchgear, transformers, UPS, and generators).
12. Overlay or full replacement of asphalt or concrete pavements.
13. Full replacement of QTA equipment (e.g., vacuums, fuel dispensers, fuel tanks, car washes) or systems (e.g., monitoring leak detection).

The following items are not expected to be considered Major Maintenance:

1. Clean, repair, refinish or partial replacement of metal decking, wire mesh, or other exterior finishes.
2. Clean, repair, repaint or reseal concrete surfaces.
3. Clean, repair, repaint, refinish, or partial replacement of metal roofing, plastic roofing, skylights, gutters or downspouts.
4. Clean, repair, repaint, refinish or partial replacement of stairs, railings, fencing or ladders.
5. Clean, repair, repaint, refinish or partial replacement of interior wall surfaces including the replacement of wall and corner guards.
6. Clean, repair, repaint, refinish or partial replacement of interior floor or ceiling surfaces.
7. Clean, repair or service of elevator or escalator equipment.

8. Clean, repair, repaint, refinish or partial replacement of elevator interiors.
9. Clean, repair, reseal, service or partial replacement of plumbing systems including drains, valves, pipes, equipment (e.g., pumps and heaters), and fixtures (e.g., toilets, sinks).
10. Clean, repair, service or partial replacement of heating and ventilation system including duct work and equipment (e.g., air handlers, exhaust fans, heaters, chillers, condensers, HVAC controls)
11. Replace or recharge of fire extinguishers.
12. Inspection, testing, repair or partial replacement of the fire monitoring and alarm systems.
13. Clean, repair, service, or partial replacement of the electrical system including conduits, conductors, equipment (e.g., transfer switches, switchgear, transformers, UPS, and generators) including the lighting system and the replacement of light bulbs.
14. Repair or repainting of asphalt or concrete pavements, sidewalks, curbs, and gutters.
15. Clean or repair of storm water system including catch basins, pipe, and detention vaults.
16. Clean, repair, service or partial replacement of QTA equipment (e.g., vacuums, fuel dispensers, fuel tanks, car washes) or systems (e.g., monitoring leak detection).

The above lists, however, are not complete. Improvements other than those listed as Major Maintenance may ultimately qualify as Major Maintenance. Likewise, some items listed as Major Maintenance may not ultimately qualify as Major Maintenance. Whether a particular improvements constitutes Major Maintenance will be determined that time it is made relative to the definition of Major Maintenance.

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APPENDIX "A-4" – SELECT LEASE OBLIGATIONS OF MANAGER

5.3 Quarterly Condition Surveys. (included in whole by reference)

17.3 General Insurance Requirements (included in whole by reference)

15.1.3.3 Operations and Maintenance Manual. (included in whole by reference)

Spill Prevention Control and Countermeasures Plan (SPCC) as defined in the Lease

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APPENDIX "B" – FACILITY MANAGER COMPENSATION AND ORGANIZATIONAL CHART

Management fees are fixed to a CPI index for the greater San Diego area and for the first year of services are as follows:

Management Fee

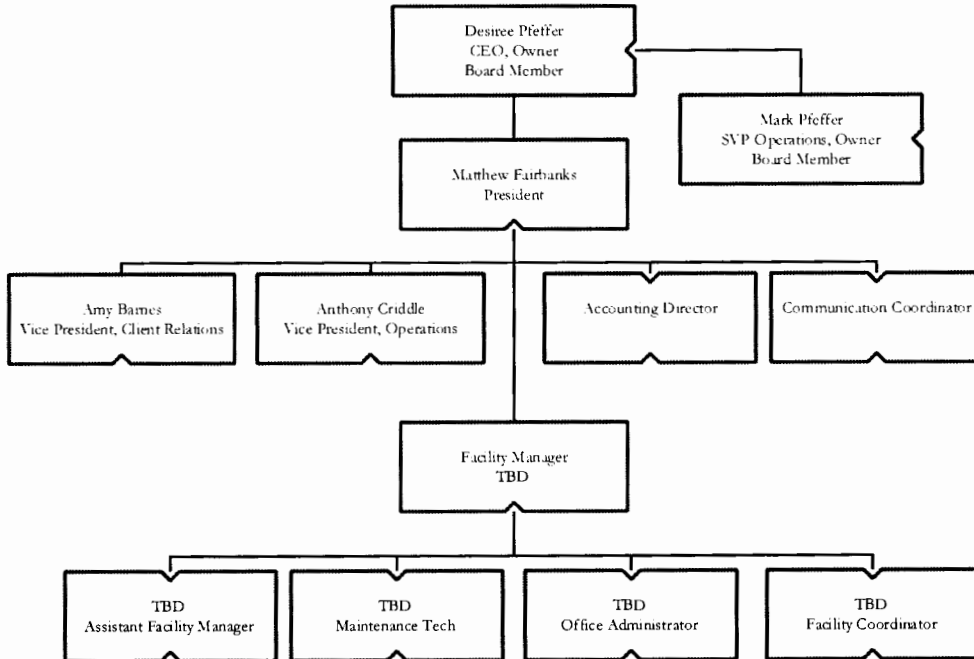
Management Fee \$ 84,264

Expense Reimbursement

Senior Management Expense \$ 38,400

Accounting Expense \$ 55,464

Organizational Chart





APPENDIX "C" – REPRESENTATIVES, MEMBERS, AND ADDRESSES

Notices if to:

**Member's Representative:**

To Each Individually

**Manager's Representative:**

Matthew Fairbanks  
Conrac Solutions, LLC  
3150 South 160<sup>th</sup> Street #501  
Seatac, WA 98188

**Airport Representative:**

Eric Podnieks, Real Estate Manager  
San Diego County Regional Airport  
Authority  
P.O. Box 82776  
San Diego, CA 92138-2776

With required copies to:

**Manager Information:**

Conrac Solutions, LLC  
c/o Conrac Managers SAN, LLC  
425 G Street #201  
Anchorage, AK 99501  
(206) 246-2512

**Member Information:**

Enterprise Rent-A-Car Company of Los Angeles, LLC  
333 City Boulevard West, Ste. 1101  
Orange, CA. 92868  
Attn: Kevin Bass, Group Vice President

Fox Rent-A-Car, Inc  
5500 W. Century Blvd.  
Los Angeles, CA 90045  
Attn: Arnold Goehring, Properties Director

*With a copy to:*

Enterprise Holdings, LLC  
600 Corporate Park Drive  
St Louis, MO 63105  
Attn: Airport Relations

*With a copy to:*

Fox Rent-A-Car, Inc  
5500 W. Century Blvd.  
Los Angeles, CA 90045  
Attn: Mansour A. Jaber, Vice President

The Hertz Corporation  
6151 West Century Blvd, Suite 600  
Los Angeles, CA 90045  
Attn: Connie Gurich, Director, Properties

BW-Budget-SDA, LLC  
3125 Pacific Hwy  
San Diego, CA 92101  
Attn: Rick Eddy

*With a copy to:*

The Hertz Corporation  
225 Brae Boulevard  
Park Ridge, NJ 07656  
Attn: Sean Fitzgerald, Vice President

Midway Rental Car, Inc.  
2263 Pacific Highway  
San Diego, CA 92101  
Attn: Jorge Arevalo, Airport Regional Manager

Nevada Lease & Rentals, Inc.  
1002 W Juniper St.  
San Diego CA 92101  
Attn: Shawn Hack

*With a copy to:*  
4751 Wilshire Blvd Suite #100  
Los Angeles, CA 90010

{10708-070-00238550;1}

Sixt Rent A Car, LLC  
1850 SE 17th Street, Unit 207  
Fort Lauderdale, FL 33316  
Attn: Jasmin Welker

Advantage Opco, LLC dba Advantage Rent A Car  
Tower 101  
101 N. E. Third Ave, Suite 1600  
Fort Lauderdale, FL 33301  
Attn: Bill Plamondon, President and CEO

Avis Budget Car Rental, LLC  
513 Eccles Avenue  
South San Francisco, CA 94080  
Attn: Lorraine M. Tallarico Director of Properties, West

*With a copy to:*  
Avis Budget Car Rental, LLC  
6 Sylvan Way  
Parsippany, NJ 07054  
Attn: Robert Bouta, Senior Vice President

E-Z Rent A Car, Inc.  
2003 McCoy Road, Suite A  
Orlando, FL. 32809  
Attn: Mehrdad Memarpouri / President

RESOLUTION NO. 2015-0112

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO NEGOTIATE AND EXECUTE A CONSENT TO A THIRD-PARTY OPERATIONS AND MAINTENANCE AGREEMENT BETWEEN THE ON-AIRPORT RENTAL CAR COMPANIES AND CONRAC SOLUTIONS LLC FOR ONGOING OPERATIONS AND MAINTENANCE RESPONSIBILITIES FOR THE RENTAL CAR CENTER FACILITY

WHEREAS, the Board adopted Resolution No. 2013-0116 on October 3, 2013 authorizing the President/CEO to negotiate, grant, and execute 30-year Rental Car Center leases (Lease) to rental car companies for the right to occupy space and operate within the Rental Car Center (RCC) at San Diego International Airport; and

WHEREAS, nine different rental car companies (RACs) have executed the Lease representing sixteen authorized brands; and

WHEREAS, the Lease requires the RACs to operate and maintain the RCC facility; and

WHEREAS, the RACs have entered into a Third-Party Facility Management Agreement with CONRAC Solutions, LLC to fulfill and carry out their operation and maintenance obligations under the Lease; and

WHEREAS, the Third-Party Facility Management Agreement between the RACs and CONRAC Solutions, LLC has a term of five years with four (4) three-year options to renew; and

WHEREAS, the Lease requires the RACs obtain the Authority's consent to the Third-Party Facility Management Agreement with CONRAC Solutions, LLC.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to negotiate and take all necessary steps, make changes to the agreement as the President/CEO determines is necessary while completing negotiations, and execute all necessary documents to negotiate and execute a consent to a Third-Party operations and maintenance agreement between the on-airport RACs and CONRAC Solutions, LLC for ongoing operations and maintenance responsibilities for the RCC facility; 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 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

---

TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

---

BRETON K. LOBNER  
GENERAL COUNSEL

RESOLUTION NO. 2015-0113

A RESOLUTION OF THE BOARD OF THE  
SAN DIEGO COUNTY REGIONAL AIRPORT  
AUTHORITY AUTHORIZING THE PRESIDENT/CEO  
TO NEGOTIATE AND EXECUTE A CONSENT TO A  
RENTAL CAR CONCESSION INDUSTRY  
AGREEMENT TO ADDRESS OPERATING AND  
MAINTENANCE RESPONSIBILITIES AMONG THE  
ON-AIRPORT RENTAL CAR COMPANIES

WHEREAS, the Board adopted Resolution No. 2013-0116 on October 3, 2013 authorizing the President/CEO to negotiate, grant, and execute 30-year Rental Car Center leases (Lease) to rental car companies for the right to occupy space and operate within the Rental Car Center (RCC) at San Diego International Airport; and

WHEREAS, nine different rental car companies (RACs) have executed the Lease representing sixteen authorized brands; and

WHEREAS, the Lease requires the RACs to establish a method to operate and maintain the Rental Car Center (RCC) facility; and

WHEREAS, the RACs have established a Rental Car Concession Industry Agreement ("Participation Agreement") to fulfill and carry out some of their Lease obligations; and

WHEREAS, the term of the Participation Agreement is coterminous with the Lease.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby authorizes the President/CEO to negotiate and take all necessary steps, make changes to the Participation Agreement if necessary while completing negotiations, and negotiate and execute all necessary documents to consent to a rental car concession industry agreement to address operating and maintenance responsibilities among the on-airport RACs; 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 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

---

TONY R. RUSSELL  
DIRECTOR, CORPORATE &  
INFORMATION GOVERNANCE /  
AUTHORITY CLERK

APPROVED AS TO FORM:

---

BRETON K. LOBNER  
GENERAL COUNSEL



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

**Item No.  
12**

Meeting Date: **OCTOBER 15, 2015**

---

**Subject:**

**Approve and Authorize the President/CEO to Execute an Agreement with Nossaman LLP, for State Legislative Consulting Services**

**Recommendation:**

Adopt Resolution No. 2015-0115, approving and authorizing the President/CEO to execute an agreement with Nossaman LLP, for State Legislative Consulting Services in an amount not-to-exceed \$723,000 for a term of three years, with two one-year extensions, exercisable at the exclusive option of the President/CEO.

**Background/Justification:**

To pursue legislative and regulatory opportunities in defense and support of Authority initiatives and programs, the Authority utilizes the services of a legislative consultant in Sacramento, California. The Authority's current agreement for these services, with Manatt, Phelps & Phillips, LLP, expires on October 31, 2015.

On July 28, 2015, the Authority issued a Request for Proposals (RFP) for State Legislative Consulting Services. This business opportunity was publically noticed and ten prospective firms viewed the RFP on Planet Bids, the Authority's electronic procurement system. In addition, the public notice was advertised in the San Diego Daily Transcript and on the Authority's website. Six proposals were received by the September 2, 2015, submittal deadline, and three firms were selected for in-person interviews.

The three firms that were interviewed by the Authority's five-member panel were Churchwell White LLP; Manatt, Phelps & Phillips, LLP; and Nossaman LLP. The five-member evaluation committee consisted of two representatives from the Authority's Inter-Governmental Relations Department, the Senior Director of the Authority's Assets and Alliances group, the President/CEO and one external panel member who is chief of staff to the President of San Diego State University. The committee convened in San Diego on September 24, 2015, to conduct in-person interviews with representatives from the three proposing firms.

Upon completion of the interviews, the committee evaluated all respondents according to the following criteria: primary staff and resources; experience and skill; work plan; reasonableness of budget and fee schedules; references; and the in-person interviews and presentations.

**Page 2 of 4**

Each of the three firms considered by the evaluation committee possessed solid credentials and has successfully represented many clients on state legislative and executive branch policy issues. However, the panel concluded that Nossaman LLP, ("Nossaman"), was superior among the respondents due to its exceptionally strong combination of substantive expertise and experience in the areas of governmental policy most critical to Authority initiatives and programs: aviation, airports, transportation and grants and external funding.

The panelists' scores for each respondent under the specified evaluation criteria are reflected in the following matrix.

<b>Respondent</b>	<b>Small Business Preference</b>	<b>Cost/Fees</b>	<b>Work Plan</b>	<b>Primary Staff</b>	<b>Organizational Experience &amp; Skill</b>	<b>Total</b>
Churchwell	0	750	625	480	960	2815
Nossaman	0	450	1125	920	1880	4375
Manatt	0	300	700	840	1720	3560

The panelists' final rankings for each respondent are reflected in the matrix below. The lowest score is the preferred respondent.

<b>Respondent</b>	<b>Panelist #1</b>	<b>Panelist #2</b>	<b>Panelist #3</b>	<b>Panelist #4</b>	<b>Panelist #5</b>	<b>Total</b>	<b>Final Rank</b>
Churchwell	3	3	3	2	3	14	3
Nossaman	1	1	1	1	1	5	1
Manatt	2	2	2	3	2	11	2

The evaluation committee unanimously scored and ranked Nossaman LLP, as the most qualified and preferred respondent. Following the committee evaluations, the President/CEO accepted the committee's recommendation that Nossaman LLP should represent the Authority as its state legislative consultant. Nossaman LLP is a California-based national law and lobbying firm and has had a Sacramento legislative advocacy practice since 1986. Of all the respondents, Nossaman LLP offered the strongest combination of expertise, experience, and vision of how best to position the Authority for the future. The team has extensive experience working with the Governor and his administration and regulatory agencies as well as legislative leadership and key staff members of the legislative branch. The primary liaison is Richard Harris, who has close to 20 years of experience representing municipalities and public-sector clients in the areas of transportation, natural resources and business. Among Nossaman's previous clients is the Port of Oakland, which includes Oakland International Airport.



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The Nossaman team also includes former State Assemblymember Jose Solorio and Christopher Walker, who has more than two decades of experience advocating on legislative and regulatory issues before the California State Legislature and executive branch departments and agencies. In addition, the Nossaman team includes policy advisors Jennifer Capitolo and Ashley Setoudeh who focus on grants and funding. Collectively, their work with local governments and a variety of other clients has secured millions of dollars in external funding. Nossaman LLP's capacity to assist the Authority in identifying and securing external funding opportunities from state and other sources further distinguishes them from the other respondents.

Staff recommends that the Board approve and authorize the President/CEO to execute an agreement with Nossaman LLP that will have an initial three-year term, with two additional one-year extensions exercisable at the exclusive option of the Authority's President/CEO. Under the proposed agreement, Nossaman would receive a \$10,000 monthly fee during the first three years of the agreement. Should the Authority exercise its option for one or both of the one-year extensions, Nossaman would receive a fee of \$12,000 per month. An additional \$15,000 per year is allocated for expenses or any additional work required and approved by the Airport Authority.

**Fiscal Impact:**

Adequate funding for State Legislative Consulting Services is included in the adopted FY 2016 and approved conceptual FY 2017 Operating Expense Budgets within the Professional Services line item.

**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. CEQA: 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. Cal. Pub. Res. Code § 21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code § 30106.

**Application of Inclusionary Policies:**

The Authority has the following inclusionary programs/policies: a Disadvantaged Business Enterprise (DBE) Program, an Airport Concession Disadvantaged Business Enterprise (ACDBE) Program, Policy 5.12 and Policy 5.14. These programs/policies are intended to promote the inclusion of small, local, service disabled veteran owned, historically underrepresented businesses and other business enterprises, on all contracts. Only one of the programs/policies named above can be used in any single contracting opportunity.

This contract does not utilize federal funds and provides limited opportunities for sub-contractor participation; therefore; at the option of the Authority, Policy 5.12 was applied to promote the participation of qualified small businesses. Policy 5.12 provides a preference of up to five percent (5%) to small businesses in the award of selected Authority contracts. When bid price is the primary selection criteria, the maximum amount of the preference cannot exceed \$200,000. The preference is only applied in measuring the bid. The final contract award is based on the amount of the original bid.

In accordance to Policy 5.12, the recommended firm Nossaman LLC received 0% small business preference.

**Prepared by:**

MICHAEL KULIS  
DIRECTOR, INTER-GOVERNMENTAL RELATIONS

RESOLUTION NO. 2015-0115

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY APPROVING AND AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH NOSSAMAN LLP, FOR STATE LEGISLATIVE CONSULTING SERVICES IN AN AMOUNT NOT-TO-EXCEED \$723,000 FOR A TERM OF THREE YEARS, WITH TWO ONE-YEAR EXTENSIONS, EXERCISABLE AT THE EXCLUSIVE OPTION OF THE PRESIDENT/CEO.

WHEREAS, pursuant to Resolution No. 2003-072 R, the Authority Board (the "Board") established a Legislative Advocacy Program (Policy 1.60); and

WHEREAS, as stated in the Legislative Advocacy Program, the Board determined that "it is important for the Authority to protect the airport and its planning functions by promoting public policies consistent with the Authority's mandates and objectives"; and

WHEREAS, Authority staff works locally and coordinates with legislative advocates in Sacramento, California and Washington, D.C. to identify and pursue legislative opportunities in defense and support of initiatives and programs of interest to the Authority; and

WHEREAS, on July 28, 2015, the Authority issued a Request for Proposals (RFP) to award an agreement for state legislative consultant services; and

WHEREAS, the RFP process resulted in the recommendation that Nossaman LLP, is the most qualified candidate.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves and authorizes the President/CEO to execute an agreement with Nossaman LLP, for State Legislative Consulting Services in an amount not-to-exceed \$723,000 for a term of three years, with two one-year extensions, exercisable at the exclusive option of the President/CEO; and

BE IT FURTHER RESOLVED that the Board finds that this 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 15<sup>th</sup> day of October, 2015, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

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TONY RUSSELL  
DIRECTOR, CORPORATE  
& INFORMATION GOVERNANCE/  
AUTHORITY CLERK

APPROVED AS TO FORM:

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BRETON K. LOBNER  
GENERAL COUNSEL



**SAN DIEGO COUNTY  
REGIONAL AIRPORT AUTHORITY**

Meeting Date: **OCTOBER 15, 2015**

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**Subject:**

**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**

**Recommendation:**

For information only.

**Background/Justification:**

Authority Policy 3.30 (2)(b) and (4)(b) require that business expenses reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

Authority Policy 3.40 (2)(b) and (3)(b) require that travel expense reimbursements of Board Members, the President/CEO, the Chief Auditor and the General Counsel be approved by the Executive Committee and presented to the Board for its information at its next regularly scheduled meeting.

The attached reports are being presented to comply with the requirements of Policies 3.30 and 3.40.

**Fiscal Impact:**

Funds for Business and Travel expenses are included in the FY 2015-2016 Budget.

**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. Cal. Pub. Res. Code §21065.
  
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act. Cal. Pub. Res. Code §30106.

**Application of Inclusionary Policies:**

Not applicable.

**Prepared by:**

TONY RUSSELL  
DIRECTOR, CORPORATE & INFORMATION GOVERNANCE/AUTHORITY CLERK

# **TRAVEL REQUESTS**

**THELLA F. BOWENS**



**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY**  
**OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Thella F. Bowers Dept: 6  
Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor  
 All other Authority employees (does not require executive committee administrator approval)

2. DATE OF REQUEST: 9/16/15 PLANNED DATE OF DEPARTURE/RETURN: 10/29/2015 / 10/30/2015

3. DESTINATIONS/PURPOSE (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Oxnard, CA Purpose: California Airports Council Board Meeting  
Explanation:

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ \_\_\_\_\_
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 221.00

B. LODGING \$ 200.00

C. MEALS \$ 100.00

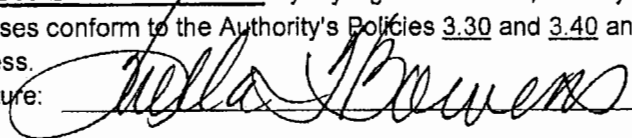
D. SEMINAR AND CONFERENCE FEES \$ \_\_\_\_\_

E. ENTERTAINMENT (If applicable) \$ \_\_\_\_\_

F. OTHER INCIDENTAL EXPENSES \$ 50.00

**TOTAL PROJECTED TRAVEL EXPENSE** \$ 571.00

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 9/16/15

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

By my signature below, I certify the following:

1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature: \_\_\_\_\_ Date: \_\_\_\_\_

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
by the Executive Committee at its \_\_\_\_\_ meeting.  
(Leave blank and we will insert the meeting date.)

**BRETON LOBNER**

**SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY  
OUT-OF-TOWN TRAVEL REQUEST**

**GENERAL INSTRUCTIONS:**

- A. All travel requests must conform to applicable provisions of Policies 3.30 and 3.40.
- B. Personnel traveling at Authority expense shall, consistent with the provisions of Policies 3.30 and 3.40, use the most economical means available to affect the travel.

**1. TRAVELER:**

Travelers Name: Breton K. Lobner Dept: 15

Position:  Board Member  President/CEO  Gen. Counsel  Chief Auditor

All other Authority employees (does not require executive committee administrator approval)

**2. DATE OF REQUEST:** 9/10/15 **PLANNED DATE OF DEPARTURE/RETURN:** 10/2/15 / 10/7/2015

**3. DESTINATIONS/PURPOSE** (Provide detailed explanation as to the purpose of the trip— continue on extra sheets of paper as necessary):

Destination: Long Beach, CA Purpose: 2015 Annual Conference & Exhibition  
Explanation: 2015 Annual Conference & Exhibition - Committee Meetings and Workshops

**4. PROJECTED OUT-OF-TOWN TRAVEL EXPENSES**

**A. TRANSPORTATION COSTS:**

- AIRFARE \$ 0.00
- OTHER TRANSPORTATION (Taxi, Train, Car Rental) \$ 0.00

**B. LODGING** \$ 0.00

**C. MEALS** \$ 200.00

**D. SEMINAR AND CONFERENCE FEES** \$ 795.00

**E. ENTERTAINMENT (If applicable)** \$ 0

**F. OTHER INCIDENTAL EXPENSES** \$ 0

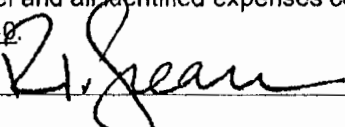
**TOTAL PROJECTED TRAVEL EXPENSE** \$

**CERTIFICATION BY TRAVELER** By my signature below, I certify that the above listed out-of-town travel and associated expenses conform to the Authority's Policies 3.30 and 3.40 and are reasonable and directly related to the Authority's business.

Travelers Signature:  Date: 9/9/15

**CERTIFICATION BY ADMINISTRATOR** (Where Administrator is the Executive Committee, the Authority Clerk's signature is required).

- By my signature below, I certify the following:
1. I have conscientiously reviewed the above out-of-town travel request and the details provided on the reverse.
  2. The concerned out-of-town travel and all identified expenses are necessary for the advancement of the Authority's business and reasonable in comparison to the anticipated benefit to the Authority.
  3. The concerned out-of-town travel and all identified expenses conform to the requirements and intent of Authority's Policies 3.30 and 3.40.

Administrator's Signature:  Date: 9.16.15

**AUTHORITY CLERK CERTIFICATION ON BEHALF OF EXECUTIVE COMMITTEE**

I, \_\_\_\_\_, hereby certify that this document was approved  
(Please leave blank. Whoever clerk's the meeting will insert their name and title.)  
by the Executive Committee at its \_\_\_\_\_ meeting.  
(Leave blank and we will insert the meeting date.)