



San Diego Unified Port District

3165 Pacific Hwy.
San Diego, CA 92101

Meeting Minutes

Board of Port Commissioners

Tuesday, August 13, 2019

1:00 PM

Pacific Daylight Time

Don L. Nay Port Administration Boardroom

Teleconference Location

10:00 AM - Hawaii Standard Time

Residence Inn Maui-Wailea, Molokini Room

75 Wailea Ike, Wailea, Maui, Hawaii 96753

A. Roll Call.

Present: 7 - Chairperson Bonelli, Commissioner Castellanos, Commissioner Malcolm, Commissioner Merrifield, Commissioner Moore, Commissioner Valderrama, and Commissioner Zucchet

Excused: 0

Absent: 0

Chairman Bonelli participated via teleconference from Maui, Hawaii as listed above.

Commissioner Merrifield was excused until he arrived at 1:10 pm.

Officers Present: Coniglio, DeAngelis, Medina, Monson, Morales, and Russell

B. Pledge of Allegiance.

Commissioner Castellanos led the Pledge of Allegiance.

C. Closed Session Report Out.

Thomas A. Russell, General Counsel, announced that the Board considered the items on the Closed Session Agenda and stated that no reportable action was taken.

D. Public Communications.

The following member(s) of the public addressed the Board with non agenda-related comments: David Ritter; Pauline Kristinsson; Carole Noska, Owner, Sail Charters; and Thomas Stroh, Your Peace Love and Happiness, Inc.

E. Commissioners' Reports.

No Commissioners' reports were provided.

F. Board Committee Reports.

Commissioner Malcolm reported out on the Seaport Village Ad Hoc Committee which met on July 23, 2019. Commissioner Malcolm explained that the Ad Hoc Committee received a presentation from staff regarding interim operations and leasing updates at Seaport Village. The Ad Hoc Committee discussed property management updates, including the Central Embarcadero Marketing and Activation Program, financial reporting, leasing efforts, and tenant improvement allowances relating to prospective leasing deals at Seaport Village. Commissioner Malcolm added that the Ad Hoc Committee also received recommendations from Protea and Retail Insite regarding property management, activation, and leasing strategies for the property.

G. President's Report.

Randa Coniglio, President/CEO began by welcoming Michael Brown, the new Vice President of Marketing and Communications to the Port.

Ms. Coniglio then provided an update regarding the Charter Operations Ordinance. Ms. Coniglio explained that an ordinance has been drafted. Staff intends to take the draft to stake holder meetings over the next couple of months, and then bring to the Board for adoption before the end of year. Ms. Coniglio further explained that staff has not only been working on the ordinance during this time; Harbor Police has also been actively working with the U.S. Coast Guard on enforcing charter operations on the bay in the interim.

Ms. Coniglio then invited Deputy Rick Ellington, member of the International Police Officers Association - Region 23, to the podium. Deputy Ellington explained that the International Police Officers Association has in excess of 350,000 members and represents officers--both sworn and retired--from 65 countries. Deputy Ellington also explained that part of the association's role is to provide training and internship where officers from other countries receive training from various agencies. The Port of San Diego Harbor Police is among the agencies in San Diego County that provides this training. Deputy Ellington presented a plaque to Chief Mark Stainbrook in recognition of the Harbor Police's continuing efforts and participation in the program.

Ms. Coniglio then spoke about the 2019 Student Worker Program. Ms. Coniglio explained that 65 students participated in the lottery, and 25 students were hired. Thirteen departments participated in the program which provided students the opportunity to gain valuable work experience.

Ms. Coniglio then announced that the Port's Finance Department received a Certificate of Achievement for Excellence in Financial Reporting for the fifth consecutive year for the 2018 Comprehensive Annual Financial Report (CAFR).

Ms. Coniglio then provided an update on the Port Master Plan Update (PMPU). Ms. Coniglio explained that a Discussion Draft of the PMPU was published and released in April, 2019, for a 90-day public review period to receive feedback and input. The review period ended on July 31, 2019, and the Port received nearly 3,000 comment letters from the public, agencies, and organizations. Regarding next steps, PMPU staff is reviewing the feedback and will come back to the Board at an upcoming meeting to present an overview of the comments received, including some of the major themes of the comments, and will present a timeline of upcoming milestones for the PMPU. Ms. Coniglio offered that for anyone interested in learning more about the PMPU process, or would like to view the comments received, they can visit the Port's website at

www.portofsandiego.org/PMPU.

H. District Clerk’s Announcements.

Donna Morales, District Clerk, announced that additional agenda-related materials were received after the publication of the agenda for Action Agenda Item 9 - File No. 2019-0307, and that copies were available at the Clerk's desk.

Ms. Morales then reported that staff requested to continue Consent Agenda Item 1 - File No. 2019-0305, and Consent Agenda Item 2 - File No. 2019-0320.

On a motion by Commissioner Malcolm, seconded by Commissioner Castellanos, the Board accepted the requested docket changes. The motion carried by the following vote:

Yeas: 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

APPROVAL OF MINUTES

[2019-0321](#) Approval of minutes for:

July 24, 2019 - CLOSED SESSION

July 24, 2019 - BPC MEETING

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board approved the minutes. The motion carried by the following vote:

Yeas: 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

CONSENT AGENDA

On a motion by Commissioner Castellanos, seconded by Commissioner Valderrama, the Board adopted the Consent Agenda as follows: Ordinance 2950; Resoluituion 2019-095; Resolution 2019-096; Resolution 2019-097; and Ordinance 2951. The motion carried by the following vote:

Yeas: 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

1. [2019-0305](#) RESOLUTION AUTHORIZING A SOLE SOURCE AGREEMENT TO COCHRAN MARINE, LLC FOR THE PERIOD OF AUGUST 1, 2019 TO JUNE 30, 2022 TO CONTINUE CRUISE SHIP SHORE POWER CONNECTION, COMMISSIONING, AND MAINTENANCE SERVICES SUPPORTING THE PROPRIETARY SHORE POWER SYSTEM AT B STREET AND BROADWAY PIERS IN AN AMOUNT NOT TO EXCEED \$910,000. FUNDS FOR THE FIRST YEAR OF THIS EXPENDITURE OF \$246,015 ARE INCLUDED IN THE APPROVED FY 2020 BUDGET. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED FOR IN THE APPROPRIATE YEAR SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET

The Board will consider staff's request to continue this item to a future Board Meeting.

This item was continued to a future Board meeting.

2. [2019-0320](#) RESOLUTION CONSENTING TO A SUBLEASE BETWEEN MANCHESTER RESORTS, L.P., A CALIFORNIA LIMITED PARTNERSHIP (DBA MANCHESTER GRAND HYATT), AND SANFORD SPAS, LLC, A FLORIDA LIMITED LIABILITY COMPANY (DBA MARILYN MONROE SPAS), FOR ONE FIVE-YEAR TERM WITH TWO FIVE-YEAR OPTIONS TO EXTEND, WITH CONDITIONS

The Board will consider staff's request to continue this item to a future Board Meeting.

This item was continued to a future Board meeting.

3. [2019-0255](#) SOUTH CAMPUS PAVEMENT AND FOUNDATION DEMOLITION PROJECT

A) ORDINANCE AMENDING THE FISCAL YEAR (FY) 2020 BUDGET INCREASING THE FY 2020 CAPITAL IMPROVEMENT PROGRAM (CIP) APPROPRIATION BY \$2.0 MILLION FROM CUMULATIVE UNRESTRICTED RESOURCES TO FUND AN INCREASE TO THE SOUTH CAMPUS PAVEMENT AND FOUNDATION DEMOLITION PROJECT

B) RESOLUTION APPROVING AN AMENDMENT TO THE FY 2019-2023 5-YEAR CIP TO INCREASE THE SOUTH CAMPUS PAVEMENT AND FOUNDATION DEMOLITION PROJECT BY \$2.0 MILLION PURSUANT TO BPC POLICY NO. 120

On a motion by Commimssioner Castellanos, seconded by Commissioner Valderrama, the Board adopted Ordinance 2950 and Resolution 2019-095 as part of the Consent Agenda.

4. [2019-0256](#) RESOLUTION AUTHORIZING AGREEMENTS FOR DISTRICT SPONSORSHIP OF UPCOMING TIDELANDS ACTIVATION PROGRAM SIGNATURE EVENTS:

A) AGREEMENT WITH 3D ART EXPO LLC FOR SPONSORSHIP OF ANNUAL U.S. SAND SCULPTING CHALLENGE AND DIMENSIONAL ART EXPOSITION IN AN AMOUNT NOT TO EXCEED \$15,000 IN FUNDING AND \$78,450 IN WAIVED FEES FOR DISTRICT SERVICES EACH YEAR FOR TWO YEARS, FOR TOTAL FUNDING NOT TO EXCEED \$30,000 AND TOTAL WAIVED DISTRICT SERVICES NOT TO EXCEED \$156,900. FUNDS REQUIRED FOR FY2020 ARE BUDGETED. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET;

B) AGREEMENT WITH THE NATIONAL CITY CHAMBER OF COMMERCE FOR SPONSORSHIP OF ANNUAL INTERNATIONAL MARIACHI FESTIVAL AND COMPETITION IN AN AMOUNT NOT TO EXCEED \$65,000 IN FUNDING AND \$31,237 IN WAIVED FEES FOR DISTRICT SERVICES EACH YEAR FOR TWO YEARS, FOR TOTAL FUNDING NOT TO EXCEED \$130,000 AND TOTAL WAIVED DISTRICT SERVICES NOT TO EXCEED \$62,474. FUNDS REQUIRED FOR FY2020 ARE BUDGETED. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET

On a motion by Commimssioner Castellanos, seconded by Commissioner Valderrama, the Board adopted Resolution 2019-096 as part of the Consent Agenda.

5. [2019-0271](#) RESOLUTION APPROVING SCHEDULE 3 TO MASTER TAX-EXEMPT LEASE/PURCHASE AGREEMENT WITH KEY GOVERNMENT FINANCE, INC. TO FINANCE BOARD-APPROVED PURCHASE OF CISCO SMARTNET SUPPORT SERVICES FROM DIMENSION DATA IN AN AMOUNT NOT TO EXCEED \$752,676.00 OVER FIVE YEARS AT ZERO PERCENT INTEREST. FY2020 EXPENDITURES ARE INCLUDED IN THE FY2020 INFORMATION TECHNOLOGY BUDGET. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL

UPON ADOPTION OF EACH FISCAL YEAR'S BUDGET.

On a motion by Commimssioner Castellanos, seconded by Commissioner Valderrama, the Board adopted Resolution 2019-097 as part of the Consent Agenda.

6. [2019-0283](#) ORDINANCE: (A) AUTHORIZING THE EXECUTIVE DIRECTOR OR HER AUTHORIZED DESIGNEE TO ENTER INTO AN IMPLEMENTATION AGREEMENT WITH THE FEDERAL BUREAU OF INVESTIGATIONS ORGANIZED CRIME DRUG ENFORCEMENT TASK FORCE TO SUPPORT THE SAN DIEGO REGION STRIKE FORCE, INCLUDING FULL REIMBURSEMENT OF DISTRICT EXPENSES PLUS AN ADMINISTRATIVE FEE FOR A TERM NOT TO EXCEED SEVEN YEARS; (B) APPROVING A LEASE OF OFF-TIDELANDS PROPERTY WITH COLLINS BUSINESS PARK TIC FOR FIVE YEARS PLUS A TWO-YEAR OPTION; AND (C) AMENDING THE FY 2019-2020 BUDGET BY ADDING \$400,000 TO THE NON-PERSONNEL EXPENSE APPROPRIATION FROM PRIOR YEARS UNRESTRICTED RESOURCES TO BE REIMBURSED BY THE UNITED STATES UNDER THE IMPLEMENTATION AGREEMENT; ALL ACTIONS CONDITIONED ON APPROVAL BY THE CALIFORNIA STATE LANDS COMMISSION OF THE OFF-TIDELANDS EXPENDITURE UNDER THE PROPOSED LEASE

On a motion by Commimssioner Castellanos, seconded by Commissioner Valderrama, the Board adopted Ordinance 2951 as part of the Consent Agenda.

ACTION AGENDA

7. [2019-0240](#) PRESENTATION OF SERVICE AWARDS TO EMPLOYEES WITH 15 OR MORE YEARS OF SERVICE

Maria Sarchi, Benefits Analyst, Human Resources, and Kacie Ting, Student Worker, addressed the Board with staff's report and presentation regarding Action Agenda Item 7 - File No. 2019-0250 (A copy of the staff report, presentations and any agenda-related materials are on file with the Office of the District Clerk). Ms. Ting then turned the presentation to Randa Coniglio, President/CEO, to recognize Charles Starns, Maintenance Supervisor, General Services, for his 15 years of service to the Port.

8. [2018-0485](#) A) ORDINANCE GRANTING A 66-YEAR LEASE BETWEEN THE DISTRICT AND SUN CHULA VISTA BAYFRONT RV LLC FOR A RECREATIONAL VEHICLE (RV) PARK WITH A COMBINATION OF 246 RV STALLS AND PARK MODEL STALLS LOCATED IN THE CITY OF CHULA VISTA;
B) And RESOLUTION APPROVING THE PLANS AND SPECIFICATIONS FOR THE OFFSITE IMPROVEMENTS TO BE LOCATED IN THE CITY OF CHULA VISTA

Adam Meyer, Assistant Director, Real Estate, addressed the Board with staff's report and presentation regarding Action Agenda Item 8 - File No. 2018-0485 (A copy of the staff report, presentations and any agenda-related materials are on file with the Office of the

District Clerk). Mr. Meyer then turned the presentation to Stephanie Shook, Department Manager, Real Estate Development, to discuss the details of the lease.

The following member(s) of the public addressed the Board with agenda-related comments: None

Commissioner Malcolm, Commissioner Valderrama, Commissioner Merrifield, Vice Chair Moore, and Chairman Bonelli provided comments.

On a motion by Commissioner Moore, seconded by Commissioner Malcolm, the Board adopted Ordinance 2952. The motion carried by the following vote:

Yeas: 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

On a motion by Commissioner Moore, seconded by Commissioner Valderrama, the Board adopted Resolution 2019-098. The motion carried by the following vote:

Yeas: 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

9. [2019-0307](#) RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO AGREEMENT WITH STAY CLASSY SAN DIEGO, LLC FOR SPONSORSHIP OF A FESTIVAL ON THE DOWNTOWN SAN DIEGO WATERFRONT, ADDING \$150,000 IN FUNDING, AND ASSIGNING ALL RIGHTS AND OBLIGATIONS OF STAY CLASSY SAN DIEGO, LLC TO WONDERLUST EVENTS, LLC. FY 2020 EXPENDITURES ARE BUDGETED.

Yvonne Wise, Director, Waterfront Arts & Activation, addressed the Board with staff's report and presentation regarding Action Agenda Item 9 - File No. 2019-0307 (A copy of the staff report, presentations and any agenda-related materials are on file with the Office of the District Clerk). Ms. Wise then turned the presentation to Jim Hutzelman, Business Manager, Waterfront Arts & Activation, to discuss staff's analysis of how the Port will generate revenue through sponsorship of the Wonderfront Festival.

The following member(s) of the public addressed the Board with agenda-related comments: Ernie Hahn, Manager, Wonderfront Festival; and Sharon Cloward, President, San Diego Port Tenants Association.

Commissioner Valderrama, Chairman Bonelli, Commissioner Malcolm, Commissioner Merrifield, Commissioner Zucchet, Commissioner Castellanos, and Vice Chair Moore provided comments and asked clarifying questions. Stephen Shafer, Principal, Economics and Policy, Commissioner Merrifield, and Mr. Hahn responded.

On a motion by Commissioner Valderrama, seconded by Commissioner Merrifield, the Board adopted Resolution 2019-099. The motion carried by the following vote:

Yeas: 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

10. [2019-0226](#) REVIEW AND CONSIDERATION OF DRAFT PROPOSED BOARD AGENDA FOR THE SEPTEMBER 10, 2019 MEETING

In light of the appointment of the new Vice President of Marketing & Communications and Waterfront Arts & Activation, Chairman Bonelli requested a modification to the September agenda to postpone File No. 2019-0308 - Informational Presentation and Update on Port Marketing Campaigns, to a later Board meeting.

Commissioner Malcolm, seconded by Commissioner Castellanos, made a motion to approve the proposed agenda for September. Chairman Bonelli made a friendly amendment to the motion to postpone File No. 2019-0308 to a later Board meeting. Commissioner Malcolm and Commissioner Castellanos accepted the amendment. The amended motion carried by the following vote:

Yeas: 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

OFFICER'S REPORT**11. [2019-0306](#) MONTHLY NOTIFICATION OF CHANGE ORDERS PURSUANT TO BPC POLICY NO. 110:**

- A) Change Order No. 1 to Contract No. 2016-37 with Reyes Construction, Inc. / Increases Contract by \$330,700.00
- B) Change Order No. 1 to Contract No. 2018-22 with Clear Blue Energy Corp. / Decreases Contract by \$7,227.00
- C) Change Order No. 2 to Contract No. 2018-23 with Clear Blue Energy Corp. / Decreases Contract by \$863.68
- D) Change Order No. 1 for Contract No. 2019-02 with Vortex Industries, Inc. / 40 Calendar Day Time Extension thru 06/30/19
- E) Change Order No. 1 to Contract No. 2018-17 with Good-Men Roofing and Construction, Inc. (Reconciliation) / Decreases Contract by \$9,943.00

MONTHLY NOTIFICATION OF COST RECOVERY USER FEE WAIVERS GRANTED BY THE EXECUTIVE DIRECTOR PURSUANT TO BPC POLICY NO. 106:

- A) Request for User Fee Waiver Form from County of San Diego, Department of General Services for Right of Entry for Invasive Species Removal in Chula Vista, for total amount \$500.00

MONTHLY NOTIFICATION OF RENT REVIEWS CONSENTED TO ADMINISTRATIVELY PURSUANT TO BPC POLICY NO. 355 AS AMENDED ON JANUARY 10, 2017:

- A) Rent Review Administrative Approval Letter with Fisherman's Landing Corporation for Rental Period Beginning 06/01/19 thru 12/31/29
- B) Rent Review Administrative Approval Letter with Point Loma Sportfishing Association, Inc. for Rental Period Beginning 06/01/19 thru 12/31/29

MONTHLY NOTIFICATION OF ENCUMBRANCES CONSENTED TO ADMINISTRATIVELY PURSUANT TO BPC POLICY NO. 355 AS AMENDED ON JANUARY 10, 2017:

- A) Encumbrance Review and Approval Memo with Conditional Approval for Lease with Oak Park Apartments, Inc. dba Best Western Yacht Harbor in Favor of Pacific Western Bank

MONTHLY NOTIFICATION OF LEASE AMENDMENTS CONSENTED TO ADMINISTRATIVELY PURSUANT TO BPC POLICY NO. 355 AS AMENDED ON JANUARY 10, 2017:

None to Report

*Secretary, Board of Port Commissioners
San Diego Unified Port District*

ATTEST:

Clerk of the San Diego Unified Port District