



San Diego Unified Port District

3165 Pacific Hwy.
San Diego, CA 92101

Special Meeting Minutes - Draft Board of Port Commissioners

Tuesday, October 6, 2015

1:00 PM

Don L. Nay Port Administration Boardroom

A. Roll Call.

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

Excused: 0

Absent: 0

Officers Present: Coniglio, Deuel, Medina, Monson, and Russell

B. Closed Session Report Out.

Thomas Russell, General Counsel, announced the Board considered the items on the Closed Session Agenda. He stated that in regard to Closed Session Item - 4 File No. 2015-1646, the Board, by a 7-0 vote authorized the filing of a cross complaint against the plaintiffs. He announced that in regard to Closed Session Item 9 - File No. 2015-1660, the Board by a 7-0 vote authorized the defense of a lawsuit brought by the United States. There was no other reportable action.

C. Pledge of Allegiance.

Commissioner Bonelli led the Pledge of Allegiance.

D. Public Communications.

Sophie Silvestri, Director of Operations, San Diego Port Tenants Association, addressed the Board regarding the 2015 Operation Clean Sweep event and reviewed the clean-up activities. She thanked the Board, District staff, and the event sponsors. She acknowledged the many volunteers for their assistance. (A copy of the presentation is on file in the Office of the District Clerk.)

Sharon Cloward, President, San Diego Port Tenants Association, addressed the Board and thanked the Board and District staff for their efforts to complete the North Harbor Drive Realignment Project.

John Frusci addressed the Board regarding the length of his motor home and the parking ordinances on Shelter Island.

Chairman Malcolm explained that the Board could not take action on public comments regarding undocketed matters and he referred the matter to staff for additional review. (Mr. Frusci provided photographs that were submitted to the Clerk and are on file in the Office of the District Clerk.)

E. Commissioners' Reports.

Chairman Malcolm reported on the annual One Region One Voice trip hosted by the San Diego Regional Chamber of Commerce to Washington D.C. He stated that Commissioner Bonelli, Randa Coniglio, Executive Director, Job Nelson, Director, Government & Civic Relations, and Dora McCann, Legislative Policy Administrator, Government & Civic Relations, met with a number of lawmakers in the Capital to request support for Port District projects and initiatives. He reported on several meetings: 1) with representatives from the Department of Transportation and discussed two new federal loan programs to finance terminal infrastructure and improvements which could benefit the District; 2) with representatives from the Customs and Border Patrol to increase staffing to support additional activity at the marine terminals and the airport; and 3) representatives from the National Oceanic and Atmospheric Administration (NOAA) regarding aquaculture.

Commissioner Merrifield represented the District at the Pasha Automotive Group event on September 30, 2015 in celebration of Pasha's 25th Anniversary at the Port of San Diego's National City Marine Terminal.

Commissioner Nelson announced the names of 17 family members who live within 100 miles of Umpqua Community College and expressed his concern regarding the recent shootings on the campus. He urged those present to begin a conversation with their family members regarding gun violence in the Country. Commissioner Nelson announced that after inquiries to members of the Fair Political Practice Commission by the District's Counsel a determination was made that there was no conflict with his service as a Port Commissioner and also being a slip renter at the Marriott Marquis; thus he would begin participating in matters related to that property. Commissioner Nelson announced that he attended the Smart Cities Week in Washington DC on September 15-16, 2015 and offered a brief overview of the presentation he gave on Embracing Change at the Smart Cities Conference. (A copy of the presentation is on file in the Office of the District Clerk.)

Commissioner Bonelli also discussed the One Region One Voice trip hosted by the San Diego Regional Chamber of Commerce to Washington D.C. He remarked on meetings with a number of stakeholders including NOAA and Admiral John Richardson, the new Chief of Naval Operations, who acknowledged the importance of San Diego Bay.

F. President's Report.

Randa Coniglio, Executive Director, announced that for the seventh consecutive year, the District's Procurement Services department was awarded the Achievement in Excellence Award in Procurement Award sponsored by the National Procurement Institute, and co-sponsored by the California Association of Public Procurement Officials, the National Institute for Public Procurement, and several other public procurement associations. Chairman Malcolm joined Matt Earle, Director, Procurement Services, many members of the Procurement Services staff, and Ms. Coniglio for a photo commemorating the 2015 award.

G. District Clerk’s Announcements.

Timothy Deuel, District Clerk, offered that additional agenda related materials regarding Agenda Item 14 - File No. 2015-1631, Agenda Item 15 - File No. 2015-1562, and Agenda Item 23 - File No. 2015-1578 were received after the publication of the agenda. The correspondence was distributed to the Board and copies were available at the Clerk’s desk. He announced that Board action was no longer required regarding the following matters: Consent Agenda Item 13 - File No. 2015-1581 and Action Agenda Item 17 - File No. 2015-1598.

On a motion by Commissioner Moore, seconded by Commissioner Nelson, the Board accepted the proposed docket changes by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

APPROVAL OF MINUTES

[2015-1664](#) CONSIDERATION OF MINUTES FROM THE FOLLOWING MEETINGS: SEPTEMBER 8, 2015 SPECIAL MEETING - CLOSED SESSION, and SEPTEMBER 8, 2015 REGULAR MEETING

On a motion by Commissioner Merrifield, seconded by Commissioner Moore, the Board approved the minutes from the September 8, 2015 Special Meeting - Closed Session and the September 8, 2015 Regular Meeting, by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

CONSENT AGENDA

On single a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-117, Resolution 2015-118, Ordinance 2829, Resolution 2015-119, Resolution 2015-120, Resolution 2015-121, Resolution 2015-122, Resolution 2015-123, Resolution 2015-124, Resolution 2015-125, Ordinance 2830, Resolution 2015-126, Ordinance 2831, Resolution 2015-127, Resolution 2015-128, Resolution 2015-129, Resolution 2015-130, Resolution 2015-131, and Ordinance 2832. The motion carried by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

- 1. [2015-1252](#) A) RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND AWARDING CONTRACT NO. 2015-14 TO KINSMAN CONSTRUCTION, INC. FOR THE PUBLIC VIEWING PLATFORM IMPROVEMENT AND REPAIRS, SAN DIEGO, CALIFORNIA AT NORTH EMBARCADERO IN THE AMOUNT OF \$523,446.00, AS AUTHORIZED BY THE BOARD IN THE FY 2014-2018 CAPITAL IMPROVEMENT PROGRAM
 B) RESOLUTION APPROVING TRANSFER OF FUNDS WITHIN THE FY 2014-2018 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET APPROPRIATION FROM CONTINGENCY TO THE PUBLIC VIEWING PLATFORM IMPROVEMENT AND REPAIRS IN THE AMOUNT OF \$47,290 PURSUANT TO BPC POLICIES NO. 120 AND NO. 90
 C) ORDINANCE AMENDING THE FISCAL YEAR 15/16 BUDGET TO INCREASE THE CIP APPROPRIATION BY \$47,290 FOR AN INCREASE IN THE BUDGET FOR THE PUBLIC VIEWING PLATFORM IMPROVEMENT AND REPAIRS, WITH NO CHANGE TO THE APPROVED FY 2014-2018 TOTAL CIP PROGRAM BUDGET, PURSUANT TO BPC POLICY NO. 90

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-117, Resolution 2015-118 and Ordinance 2829 as part of the consent agenda.

- 2. [2015-1489](#) A) RESOLUTION APPROVING TRANSFER OF FUNDS WITHIN THE FY 15/16 MAJOR MAINTENANCE PROGRAM BUDGET APPROPRIATION FROM MAJOR MAINTENANCE CAPITAL CONTINGENCY TO THE TENTH AVENUE MARINE TERMINAL BERTHS 10-1 AND 10-2 FENDER SYSTEM UPGRADE FOR \$251,000.00 PURSUANT TO BPC POLICY NO. 90

B) RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND AWARDING CONTRACT NO. 2015-17 TO PK MECHANICAL SYSTEMS, INC. FOR THE TENTH AVENUE MARINE TERMINAL BERTHS 10-1 AND 10-2 FENDER SYSTEM UPGRADE IN THE AMOUNT OF \$610,000.00, AS AUTHORIZED BY THE BOARD IN THE FY15/16 MAJOR MAINTENANCE BUDGET

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-119 and Resolution 2015-120 as part of the consent agenda.

3. [2015-1490](#) SHELTER ISLAND FISHING PIER BOAT DOCK REPLACEMENT
A) RESOLUTION APPROVING TRANSFER OF FUNDS WITHIN THE FY 15/16 MAJOR MAINTENANCE PROGRAM BUDGET APPROPRIATION FROM MAJOR MAINTENANCE CAPITAL CONTINGENCY TO THE SHELTER ISLAND FISHING PIER BOAT DOCK REPLACEMENT PROJECT FOR \$252,000.00 PURSUANT TO BPC POLICY NO. 90
B) RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND AWARDING CONTRACT NO. 2015-18 TO FALCON CONSTRUCTION CORPORATION FOR THE SHELTER ISLAND FISHING PIER BOAT DOCK REPLACEMENT PROJECT IN THE AMOUNT OF \$493,500, AS AUTHORIZED BY THE BOARD IN THE FY 15/16 MAJOR MAINTENANCE BUDGET

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-121 and Resolution 2015-122 as part of the consent agenda.

4. [2015-1531](#) RESOLUTION CONSENTING TO LICENSE AGREEMENT FROM LFN DEVELOPERS, LLC DBA LANE FIELD NORTH, LOCATED ON PACIFIC HIGHWAY NEAR THE CORNER OF PACIFIC HIGHWAY AND WEST BROADWAY IN THE CITY OF SAN DIEGO TO INSITE WIRELESS DEVELOPMENT, LLC, FOR A 10-YEAR TERM WITH THREE 5-YEAR OPTIONS TO EXTEND, FOR IMPROVED WIRELESS SERVICES IN THE HOTEL

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-123 as part of the consent agenda.

5. [2015-1542](#) A) RESOLUTION RESCINDING BOARD OF PORT COMMISSIONERS POLICY NO. 453 USE OF THE SAN DIEGO UNIFIED PORT DISTRICT'S (DISTRICT) SPRUNG STRUCTURES
B) RESOLUTION DECLARING ITEMS OF EQUIPMENT TO BE SURPLUS TO THE NEEDS OF THE PORT DISTRICT AND AUTHORIZING THEIR SALE OR DISPOSAL IN ACCORDANCE WITH BPC POLICY NO. 111

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-124 as part of the consent agenda.

6. [2015-1547](#) ACCEPTANCE OF THE FISCAL YEAR (FY) 2015 PORT SECURITY GRANT PROGRAM (PSGP) AWARDS AND BUDGET AMENDMENTS IN ORDER TO EXECUTE ON FY 2014 AND FY 2015 PSGP PROJECTS

A) RESOLUTION ACCEPTING THE FY 2015 PSGP AWARDS FOR A TOTAL AMOUNT OF \$2,450,492 AND AUTHORIZING STAFF TO ENTER INTO AWARD AGREEMENTS WITH THE U.S. DEPARTMENT OF HOMELAND SECURITY/FEDERAL EMERGENCY MANAGEMENT AGENCY

B) ORDINANCE AMENDING THE FY 15/16 BUDGET INCREASING APPROPRIATIONS FOR THE TECHNOLOGY STRATEGIC PLAN (TSP) CAPITAL PROJECT BUDGET BY \$25,000, THE TECHNOLOGY MANAGEMENT PROGRAM (TMP) CAPITAL PROJECT BUDGET BY \$912,800, THE MAJOR MAINTENANCE (MM) CAPITAL PROJECT BUDGET BY \$120,000, AND THE EQUIPMENT OUTLAY BUDGET BY \$225,000; ADDING PSGP PROJECTS TO THE TSP, TMP AND MM CAPITAL PROJECT LISTS; AND, TRANSFERRING \$348,400 FROM THE ORDINARY ANNUAL EXPENSE APPROPRIATION (NON-PERSONNEL EXPENSE (NPE)-CONTINGENCY) TO EACH OF THE INDIVIDUAL BUDGET AMENDMENT APPROPRIATIONS HEREIN APPROVED

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-125 and Ordinance 2830 as part of the consent agenda.

7. [2015-1565](#) POINT LOMA SPORTFISHING ASSOCIATION OF SAN DIEGO, INC., LOCATED AT 1403 SCOTT STREET, SAN DIEGO, CA
- A) RESOLUTION CONSENTING TO ASSIGNMENT OF OWNERSHIP INTERESTS WITHIN POINT LOMA SPORTFISHING ASSOCIATION OF SAN DIEGO, INC., FROM INGRID POOLE TO PAUL STRASSER AND MARK PISANO
- B) ORDINANCE GRANTING AMENDMENT NO. 2 TO LEASE WITH POINT LOMA SPORTFISHING ASSOCIATION OF SAN DIEGO, INC., UPDATING CERTAIN LEASE PROVISIONS, AMENDING THE USE CLAUSE, AND REMOVING INGRID POOLE FROM LEASE GUARANTY

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-126 and Ordinance 2831 as part of the consent agenda.

8. [2015-1567](#) RESOLUTION WAIVING BPC POLICY NO. 110, SECTION IIB, AND AUTHORIZING AN AGREEMENT WITH ALPHA PROJECT FOR THE HOMELESS TO PROVIDE OUTREACH AND INTERVENTION SERVICES FOR THE HOMELESS POPULATION ALONG TIDELANDS, IN AN AMOUNT NOT TO EXCEED \$120,000 FOR A PERIOD OF ONE YEAR AND THREE MONTHS
- On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-127 as part of the consent agenda.**
9. [2015-1569](#) RESOLUTION APPROVING PROCLAMATION IN RECOGNITION OF FREEDOM FROM WORKPLACE BULLIES WEEK, OCTOBER 18-24, 2015
- On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-128 as part of the consent agenda.**
10. [2015-1570](#) RESOLUTION APPROVING A ONE-YEAR OPTION TO EXTEND THE AGREEMENT WITH MACIAS GINI & O'CONNELL LLP FOR PROFESSIONAL EXTERNAL AUDITING SERVICES FROM MAY 1, 2016 THROUGH APRIL 30, 2017 FOR A ONE-YEAR AMOUNT NOT TO EXCEED \$105,475 INCREASING THE MAXIMUM NOT-TO-EXCEED AMOUNT FROM \$306,264 TO \$411,739
- On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-129 as part of the consent agenda.**
11. [2015-1579](#) RESOLUTION AUTHORIZING FIFTH AMENDMENT TO AGREEMENT WITH MERKEL & ASSOCIATES TO EXTEND THE AGREEMENT FOR ONE YEAR TO CONDUCT LONG TERM MONITORING AND MAINTENANCE OF THE RESTORATION AND ENHANCEMENT PROJECT AT THE CHULA VISTA WILDLIFE RESERVE IN THE AMOUNT OF \$28,647 FOR A NEW NOT-TO-EXCEED TOTAL OF \$257,224
- On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-130 as part of the consent agenda.**
12. [2015-1580](#) MARINE GROUP BOAT WORKS, LLC A CALIFORNIA LIMITED LIABILITY COMPANY LOCATED AT 997 G STREET IN THE CITY OF CHULA VISTA:
- A) RESOLUTION CONSENTING TO ENCUMBRANCE OF MARINE GROUP BOAT WORKS, LLC'S LEASEHOLD ESTATE BY \$6,735,000 TRUST DEED IN FAVOR OF CALIFORNIA BANK & TRUST, WITH CONDITIONS
- B) ORDINANCE AUTHORIZING AMENDMENT NO. 2 OF AMENDED, RESTATED AND COMBINED LEASE WITH MARINE GROUP BOAT WORKS, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY TO UPDATE CERTAIN LEASE TERMS

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-131 and Ordinance 2832 as part of the consent agenda.

13. [2015-1581](#) RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO THE THREE-PARTY AGREEMENT BETWEEN THE DISTRICT, BAE SYSTEMS SAN DIEGO SHIP REPAIR, INC. AND LSA ASSOCIATES, INC. FOR ENVIRONMENTAL REVIEW CONSULTING SERVICES FOR THE PIER 1 NORTH DRYDOCK, ASSOCIATED REAL ESTATE AGREEMENTS AND REMOVAL OF COOLING TUNNELS PROJECT TO INCREASE THE AGREEMENT AMOUNT BY \$65,000 INCREASING THE AGGREGATE TOTAL OF THE AGREEMENT FROM \$479,057 TO \$544,057 AND EXTENDING THE TERMINATION DATE TO MARCH 31, 2016

Board action no longer required.

Board action no longer required.

ACTION AGENDA

14. [2015-1631](#) PRESENTATION AND DIRECTION TO STAFF TO INCLUDE THE NINE-ACRE PARCEL ON EAST HARBOR ISLAND CURRENTLY ENTITLED FOR A 500-ROOM HOTEL INTO THE SOLICITATION FOR STATEMENTS OF INTEREST, QUALIFICATIONS, AND VISION FOR THE REDEVELOPMENT OF THE HARBOR ISLAND EAST BASIN INDUSTRIAL SUBAREA

Due to a relationship between his law firm and the involved party Commissioner Castellanos recused himself from any participation on Action Agenda Item 14. -2015-1631 and then left the room.

Penny Maus, Program Manager, Real Estate, addressed the Board with a presentation regarding Action Agenda Item 14 - File No. 2015-1631. (A copy of the presentation, staff report, and agenda related materials, is on file in the Office of the District Clerk.)

Commissioner Merrifield, Commissioner Nelson, Commissioner Moore, Chairman Malcolm, Commissioner Valderrama, and Commissioner Bonelli offered comments on the staff presentation and requested additional information regarding the staff report. Ms. Maus; Rebecca Harrington, Deputy General Counsel; and Lesley Nishihira, Department Manager, Environmental and Land Use Management, offered additional clarification regarding the matter under consideration, respectively.

Chairman Malcolm called for public comment. Uri Feldman, President, Sunroad Enterprises, addressed the Board regarding the matter and responded to the Commissioner discussion regarding the California Coastal Commission staff recommendations. Tom Story, Consultant, Sunroad Enterprises, submitted a request to speak form and ceded his time to Mr. Feldman.

Commissioner discussion continued with Commissioner Merrifield and Commissioner Nelson offering comments on Mr. Feldman's remarks and the staff recommendation.

Ms. Nishihira, Ms. Harrington, and Mr. Feldman offered additional clarification on the discussion regarding the California Coastal Commission's position and lower-cost visitor serving accommodations.

Commissioner Nelson offered a motion to adopt recommendation Alternative Three: Include the nine acre Elbow Site in the Statements of Interest, Qualifications, and Vision (SOIQV) for the redevelopment of the East Basin Industrial Subarea of Harbor Island. Commissioner Moore seconded the motion.

Commissioner Merrifield discussed offering a second motion to adopt a resolution to move forward with the creation of a policy to address the low cost visitor serving accommodations to submit with Sunroad's original 175-room hotel proposal, as soon as possible. The motion did not move forward for lack of a second.

Commissioner Moore, Chairman Malcolm, and Commissioner Valderrama discussed the motion regarding Alternative Three.

On a motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted staff recommendation Alternative Three: to include the nine acre Elbow Site in the Statements of Interest, Qualifications, and Vision (SOIQV) for the redevelopment of the East Basin Industrial Subarea of Harbor Island. The motion carried by the following vote:

Yeas: 4 - Malcolm, Merrifield, Moore, and Nelson

Nays: 2 - Bonelli, and Valderrama

Excused: 0

Absent: 0

Abstain: 0

Recused: 1 - Castellanos

Commissioner Merrifield offered a motion directing staff to return in early 2016 with a Board policy regarding low cost visitor serving accommodations and to submit the approved policy accompanied by Sunroad's original 175-room hotel proposal to the California Coastal Commission for consideration. Commissioner Valderrama seconded the motion.

Commissioner Moore and Chairman Malcolm discussed the motion proposed.

Ms. Maus, Ms. Harrington, and Thomas Russell, General Counsel, provided further clarification regarding the matter.

Chairman Malcolm, Commissioner Merrifield, Commissioner Moore and Commissioner Bonelli, and Commissioner Nelson offered further comment on the motion.

Commissioner Merrifield amended his motion and directed staff to return as soon as possible with a Board policy regarding low cost visitor serving accommodations. Commissioner Valderrama seconded the modified motion.

On a motion by Commissioner Merrifield, seconded by Commissioner Valderrama, the Board directed staff to expedite the preparation a policy on low-cost visitor serving accomodations. The motion carried by the following vote:

Yeas: 6 - Bonelli, Malcolm, Merrifield, Moore, Nelson, and Valderrama

Nays: 0

Excused: 0

Absent: 1 - Castellanos

Abstain: 0

Recused: 0

Following the vote on Action Agenda Item 14 - File No. 2015-1631 Commissioner Castellanos returned to the dais.

15. [2015-1562](#) PRESENTATION AND DIRECTION TO STAFF ON REDEVELOPMENT PROPOSAL FOR SEAPORT VILLAGE AREA:

A) RESOLUTION RESCINDING RESOLUTION 2011-134 ADOPTING VISIONING GOALS FOR SEAPORT VILLAGE AND SURROUNDING AREA

B) RESOLUTION RESCINDING RESOLUTION 2011-176 FINDING SEAPORT VILLAGE OPERATING COMPANY, LLC'S REDEVELOPMENT PROPOSAL CONSISTENT WITH THE DISTRICT'S VISION FOR SEAPORT VILLAGE SITE WITH CONDITIONS

C) ADOPT RESOLUTION DIRECTING STAFF TO NOT ACCEPT PROPOSAL FROM SEAPORT VILLAGE OPERATING COMPANY, LLC AND TO RETURN TO THE BOARD WITH A RECOMMENDED REDEVELOPMENT APPROACH FOR SEAPORT VILLAGE AND SURROUNDING AREA

Tony Gordon, Acting Director, Real Estate and Annette Dahl, Department Manager, Real Estate, addressed the Board with a staff presentation regarding Action Agenda Item 15 - File No. 2015-1562. (A copy of the presentation, staff report, and agenda related materials, is on file in the Office of the District Clerk.)

Alex Liftis, Senior Vice President, Terramar Operating Centers, addressed the Board in opposition to the staff recommendation. Bruce Walton, Terramar Retail Centers, submitted a request to speak form and ceded his time to Mr. Liftis.

Commissioner Nelson and Commissioner Moore offered comments on the staff presentation and requested additional information regarding the staff report. Commissioner Nelson offered a motion to adopt the staff recommendations for Action Agenda Item 15A – File No. 2015-132, Action Agenda Item 15B – File No. 2015-132, and a modified recommendation regarding Item Action Agenda 15C – File No. 2015-132. The modification was not to accept the proposal from Seaport Village Operation Company, LLC, and direct staff to utilize the work from the Integrated Planning sessions to bring back a proposed solicitation for Statements of Interest, Qualifications and Vision (SOIQV) for the redevelopment of the foot-printed area. Commissioner Moore seconded the motion for discussion.

Lesley Nishihira, Department Manager, Environmental and Land Use Management, offered additional clarification regarding the timeline of the framework final presentation report from Phase 1 and Phase 1A of the strategic planning efforts.

Commissioner Moore, Commissioner Bonelli, Commissioner Valderrama, Commissioner Merrifield, Commissioner Nelson, Commissioner Castellanos, and Chairman Malcolm discussed the staff recommendation, clarified the motions offered, and confirmed that a proposal from Seaport Village Operation Company, LLC, as well as proposals from other respondents to the SOIQV, would be considered.

Mr. Gordon, Mr. Nishihira, Ms. Dahl, and Thomas Russell, General Counsel, provided additional clarification during the Board discussion.

On a single motion by Commissioner Nelson, seconded by Commissioner Moore, the Board adopted Resolution 2015-132, Resolution 2015-133 and Resolution 2015-134. The motion carried by the following single vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

16. [2015-1601](#) NATIONAL CITY AQUATIC CENTER

A) ORDINANCE AMENDING THE FISCAL YEAR 15/16 BUDGET TO INCREASE THE CAPITAL IMPROVEMENT PROGRAM APPROPRIATION BY \$223,110 FOR AN INCREASE IN THE BUDGET FOR NATIONAL CITY AQUATIC CENTER, WITH NO CHANGE TO THE APPROVED FY 2014-2018 TOTAL CIP PROGRAM BUDGET.

B) RESOLUTION APPROVING TRANSFER OF FUNDS WITHIN THE FY 2014-2018 CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET APPROPRIATION FROM CONTINGENCY TO THE NATIONAL CITY AQUATIC CENTER IN THE AMOUNT OF \$223,110 PURSUANT TO THE BPC POLICIES NO. 120 AND NO. 90.

C) RESOLUTION AUTHORIZING AMENDMENT NO. 2 TO THE AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING WITH THE CITY OF NATIONAL CITY TO INCREASE THE BUDGET FOR THE NATIONAL CITY AQUATIC CENTER BY \$223,110 FROM THE FY 2014-2018 CAPITAL IMPROVEMENT PROGRAM CONTINGENCY.

D) RESOLUTION AUTHORIZING THE DISTRICT TO WAIVE THE ONE PERCENT FOR ART REQUIREMENT AS SET FORTH IN BPC POLICY NO. 608 - TENANT PERCENT FOR ART FOR THE NATIONAL CITY AQUATIC CENTER.

Michael Van Antwerp, Capital Improvement Program Manager, Engineering and Construction, addressed the Board with a presentation regarding Action Agenda Item 16 - File No. 2015-1601. (A copy of the presentation and staff report is on file in the Office of the District Clerk.)

Steve Manganielle, City Engineer, City of National City, announced he was available to answer any questions. The following individuals submitted request to speak forms and were available for questions; however, they did not address the Board: Derrick Anderson, Vice President, Project Professionals Corporation and Susan Richard, Principal, Safdie Rabines Architects.

Commissioner Nelson requested and received further clarification regarding the staff recommendation from Mr. Manganielle. Commissioner Moore offered a motion to accept the staff recommendation regarding Action Agenda Item 16A – File No. 2015-1601. Commissioner Nelson seconded the motion.

Commissioner Bonelli, Commissioner Merrifield, Chairman Malcolm, and Commissioner Valderrama, Mr. Manganielle responded to the Commissioner concerns expressed during the discussion.

On a motion by Commissioner Moore, seconded by Commissioner Nelson, the Board adopted Ordinance 2833. The motion carried by the following vote:

- Yeas:** 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama
- Nays:** 0
- Excused:** 0
- Absent:** 0
- Abstain:** 0
- Recused:** 0

Commissioner Moore offered a motion to accept the staff recommendation regarding Action Agenda Item 16B – File No. 2015-1601. Commissioner Merrifield seconded the motion.

On a motion by Commissioner Moore, seconded by Commissioner Merrifield, the Board adopted Resolution 2015-135. The motion carried by the following vote:

- Yeas:** 7 - Bonelli, Castellanos, Malcolm, Merrifield, Moore, Nelson, and Valderrama
- Nays:** 0
- Excused:** 0
- Absent:** 0
- Abstain:** 0
- Recused:** 0

Commissioner Moore offered a motion to accept the staff recommendation regarding Action Agenda Item 16C – File No. 2015-1601 with modifications. Chairman Malcolm clarified the motion by stating the District funds were to be the last ones used and District funds would be paid upon the building's completion; the issuance of a Certificate

of Occupancy for the project by the City of National City, and the submittal of final lien releases from the General Contractor and sub-contractors. Commissioner Nelson seconded the motion.

On a motion by Commissioner Moore, seconded by Commissioner Nelson, the Board adopted Resolution 2015-135. The motion carried by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

Commissioner Moore offered a motion to accept the staff recommendation regarding Action Agenda Item 16D – File No. 2015-1601. Commissioner Bonelli seconded the motion.

On a motion by Commissioner Moore, seconded by Commissioner Bonelli, the Board adopted Resolution 2015-135. The motion carried by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

Following the Board's action on the matters regarding Action Agenda Item 16 - File No. 2015-1601, Simon Kann, Deputy General Counsel, stated that based upon the additional conditions stated in the motion to approve Amendment No. 2 of the Restated Memorandum of Understanding (MOU) with the City of National City to increase the budget, the City of National City would be required to re-approve the MOU. Chairman Malcolm acknowledged Mr. Kann's statement.

- 17. [2015-1598](#) PRESENTATION ON CRUISE LINE BUSINESS DEVELOPMENT, MARKETING FRAMEWORK, INFRASTRUCTURE, AND DIRECTION TO STAFF AS APPLICABLE

Board action no longer required.

Board action no longer required.

- 18. [2015-1577](#) PRESENTATION BY SCRIPPS INSTITUTION OF OCEANOGRAPHY ON

THE IMPACTS OF CLIMATE CHANGE AND COASTAL RESILIENCY

Michelle White, Department Manager, Environmental and Land Use Management, and Dan Cayan, Director of the Climate Research Division Oceanographer and Meteorologist, Scripps Institution of Oceanography, and Jason Giffen, Director, Environmental and Land Use Management, addressed the Board with the staff presentation regarding Action Agenda Item 18 - File No. 2015-1577. (A copy of the staff report and presentation are on file in the Office of the District Clerk.)

Commissioner discussion ensued. Commissioner Bonelli and Commissioner Merrifield offered their thanks to Dr. Cayan for his presentation. Commissioner Nelson and Commissioner Castellanos expressed additional comments regarding inundation maps, the District's Climate Action Plan, and incorporating mitigation efforts into the integrated strategic planning efforts. Dr. Cayan, Ms. White and Mr. Giffen offered additional clarification regarding the Board discussion.

19. [2015-1572](#) PRESENTATION OF THE SAN DIEGO UNIFIED PORT DISTRICT (DISTRICT) EQUAL OPPORTUNITY PROGRAM ANNUAL REPORT FOR FISCAL YEAR 2015 (JULY 1, 2014 THROUGH JUNE 30, 2015)

Shirley Hirai, Manager, Equal Opportunity, addressed the Board with the staff presentation regarding Action Agenda Item 19 - File No. 2015-1572. (A copy of the staff report and presentation are on file in the Office of the District Clerk.)

Commissioner Nelson requested and received clarification from Ms. Hirai regarding the number of vacancies at the District and the related recruitment efforts.

Commissioner Moore left the dais at 4:50 p.m. and was excused for the remainder of the meeting.

20. [2015-1564](#) ORDINANCE AMENDING THE FY14/15 BUDGET INCREASING THE NON PERSONNEL EXPENSE (NPE) APPROPRIATION BY \$6.6M TO BE FUNDED FROM THE FY14/15 REVENUE SURPLUS AND TRANSFERRING \$1.8M FROM PERSONNEL EXPENSE APPROPRIATION TO NPE APPROPRIATION EFFECTIVE JUNE 30, 2015.

Jeanette Sales, Director, Financial Services, was present to address Item 20 - File No. 2015-1564. (A copy of the staff report is on file in the Office of the District Clerk.)

On a motion by Commissioner Valderrama, seconded by Commissioner Merrifield, the Board adopted Ordinance 2834. The motion carried by the following vote:

Yeas: 6 - Bonelli, Castellanos, Malcolm, Merrifield, Nelson, and Valderrama

Nays: 0

Excused: 0

Absent: 1 - Moore

Abstain: 0

Recused: 0

21. [2015-1571](#) RESOLUTION ELECTING CHAIRPERSON, VICE CHAIRPERSON AND SECRETARY OF THE BOARD OF PORT COMMISSIONERS OF THE SAN DIEGO UNIFIED PORT DISTRICT FOR CALENDAR YEAR 2016

Chairman Malcolm offered a motion nominating Marshall Merrifield as Chair; Robert "Dukie" Valderrama as Vice-Chair, and Rafael Castellanos as Secretary. Commissioner Bonelli seconded the motion.

Following the vote, Commissioner Bonelli, Commissioner Nelson, and Chairman Malcolm discussed the pros and cons of having the Board Chair serve consecutive year terms. Thomas Russell, General Counsel, offered clarification regarding the Port Act requirement to have a yearly election of officers and confirmed that Commissioners could serve multiple terms.

On a motion by Commissioner Malcolm, seconded by Commissioner Bonelli, the Board adopted Resolution 2015-136 electing Marshall Merrifield as Chair; Robert "Dukie" Valderrama as Vice-Chair, and Rafael Castellanos as Secretary, for the 2016 term. The motion carried by the following vote:

Yeas: 6 - Bonelli, Castellanos, Malcolm, Merrifield, Nelson, and Valderrama

Nays: 0

Excused: 1 - Moore

Absent: 0

Abstain: 0

Recused: 0

22. [2015-1583](#) REVIEW AND CONSIDERATION OF DRAFT PROPOSED BOARD AGENDA FOR THE NOVEMBER 17, 2015 MEETING

the Board adopted the draft agenda for November 17, 2015 as presented.

On a motion by Commissioner Nelson, seconded by Commissioner Valderrama, the Board adopted the draft agenda for November 17, 2015 as presented. The motion carried by the following vote:

Yeas: 6 - Bonelli, Castellanos, Malcolm, Merrifield, Nelson, and Valderrama

Nays: 0

Excused: 0

Absent: 1 - Moore

Abstain: 0

Recused: 0

PUBLIC HEARING AGENDA

23. [2015-1578](#) AMENDMENT OF SAN DIEGO UNIFIED PORT DISTRICT, PORT OF

SAN DIEGO TARIFF NO. 1-G, RATES AND CHARGES, AND UPDATED
FORMAT AND LANGUAGE

A) RESOLUTION FINDING THE AMENDMENT TO THE SAN DIEGO UNIFIED PORT DISTRICT, PORT OF SAN DIEGO TARIFF NO. 1-G, RATES AND CHARGES, TO INCREASE CERTAIN RATES AND UPDATE TARIFF FORMAT AND LANGUAGE EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) AS SPECIFIED UNDER SECTION 15273 OF THE CEQA GUIDELINES

B) CONDUCT A PUBLIC HEARING AND ADOPT AN ORDINANCE AMENDING THE SAN DIEGO UNIFIED PORT DISTRICT, PORT OF SAN DIEGO TARIFF NO. 1-G, RATES AND CHARGES, TO INCREASE CERTAIN RATES AND UPDATE TARIFF FORMAT AND LANGUAGE

Commissioner Merrifield left the dais and was excused for the remainder of the meeting.

Chairman Nelson offered a motion to adopt Item Action Agenda 23A - File No. 2015-1578. Commissioner Valderrama seconded the motion.

On a motion by Commissioner Nelson, seconded by Commissioner Valderrama, the Board adopted Resolution 2015-137. The motion carried by the following vote:

Yeas: 5 - Bonelli, Castellanos, Malcolm, Nelson, and Valderrama

Nays: 0

Excused: 2 - Merrifield, and Moore

Absent: 0

Abstain: 0

Recused: 0

Chairman Malcolm opened the Public Hearing regarding Action Agenda Item 23B - File No. 2015-1578. No members of the public requested to speak. Chairman Malcolm closed the Public Hearing.

Commissioner Nelson offered a motion to accept the staff recommendation for Action Agenda Item 23B - File No. 2015-1578. Commissioner Castellanos seconded the motion.

On a motion by Commissioner Nelson, seconded by Commissioner Castellanos, the Board adopted Ordinance 2835. The motion carried by the following vote:

Yeas: 5 - Bonelli, Castellanos, Malcolm, Nelson, and Valderrama

Nays: 0

Excused: 2 - Merrifield, and Moore

Absent: 0

Abstain: 0

Recused: 0

OFFICER'S REPORT

24. [2015-1643](#) Monthly Notification of Change Orders Pursuant to BPC Policy No. 110:

A) Change Order No. 1 to Contract No. 2014-22 with Ghassan Construction & Engineering / \$390.08 Decrease & 28 Calendar Day Time Extension thru 08/27/15

B) Change Order No. 2 to Contract No. 2015-06R with Ghassan Construction & Engineering / Decreases Contract by \$2,500.00

Monthly Notification of Cost Recovery User Fee Waivers Granted by the Executive Director Pursuant to BPC Policy No. 106:

None to Report

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

ATTEST:

Clerk of the San Diego Unified Port District,