



San Diego Unified Port District

3165 Pacific Hwy.
San Diego, CA 92101

Meeting Minutes

Board of Port Commissioners

Thursday, January 9, 2020

2:00 PM

Don L. Nay Port Administration Boardroom

A. Roll Call.

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

Excused: 0

Absent: 0

Commissioner Zucchet was excused until he arrived at 2:06 pm.

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

B. Pledge of Allegiance.

Commissioner Bonelli led the Pledge of Allegiance.

C. Public Communications.

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

D. Board Committee Reports.

Commissioner Valderrama provided a report on the Tidelands Activation Program Advisory Committee. Commissioner Valderrama explained that the committee received a presentation from staff on the Tidelands Activation Program (TAP) and the improvement to the on-line application process. The fiscal year 2021 TAP application was released in November and closed on January 8, and based on the proposed timeline staff anticipates presenting final funding recommendations to the Board in April.

Chair Moore provided a report on the Audit Oversight Committee. Chair Moore explained that the Audit Oversight Committee met on December 12, 2019. The agenda included a presentation from the District's external auditors, Macias, Gini and O'Connell (MGO) on their review of the District's financial statements and federal grants for Fiscal Year 2019. The managing partner, Kevin Starkey, provided an update on new GASB rules that will impact the District's financial reporting in the future. The Committee recommended the approval of the Audited Financial Statements and Single Audit Report to the Board for Approval. In addition, the agenda covered minor Revisions to BPC Policy 35; language to include core values for the Port Auditor's Office as well as other minor changes. The committee recommended the approval of changes to the Board for Approval. Mark Yeilding, Acting Port Auditor, presented the Port Auditor's status report on audit activities

related to the District's audit plan for Fiscal Year 2020. In addition, he presented an update on the tenant risk assessment process for annual audit planning. The Port Auditor also discussed the status of hotline reports received through the District's Ethics Hotline after the September 19th Committee meeting.

E. Commissioners' Reports.

Commissioner Bonelli reported that he testified on the behalf of the Port of San Diego at the San Diego County Regional Airport Authority regarding the final Environmental Impact Report (EIR). Commissioner Bonelli explained that the Port's comments included requests for public transportation to the airport and an outbound road to help improve mobility around the Bay.

Commissioner Bonelli then explained, as outgoing Chair, that during the swearing in ceremony he recognized Lesley Nishihira, Director, Planning, for her spectacular work with public outreach regarding the Port Master Plan Update project in 2019.

Chair Moore explained that as she was not present at the December Board meeting, she wanted to take the opportunity to thank former Chair Bonelli for his excellent work during 2019, and she appreciated his wonderful leadership.

Chair Moore then announced the retirement of Laura Nicholson, Deputy District Clerk, after 29 years of service. Chair Moore thanked Laura for all her hard work, commitment, and dedication over the years, and stated that she will be missed--and the Board meetings will not be the same without her.

F. President's Report.

Randa Coniglio, President/CEO, announced that the Port had a great 2019, and to close out the year the public enjoyed a series of pop-up music and dance performances at the foot of the Broadway Pier throughout the month of December to help celebrate the holidays at the Port. The performances were organized by the Waterfront Arts & Activation department and are part of the Port's continued mission to enhance the visitor experience on the waterfront. Ms. Coniglio then shared a short video of the events during December.

G. District Clerk's Announcements.

Donna Morales, District Clerk, announced that additional agenda related information was received by the Commissioners after the publication of the agenda for the following item: Item 8 - File No. 2019-0506.

Ms. Morales then announced that staff requested to continue the following items: Consent Agenda Item 4 - File No. 2020-003, Consent Agenda Item 6 File No. 2019-0526, and Public Hearing Agenda Item 11 - File No. 2019-0504.

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: 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 1 - Bonelli

Absent: 0

Abstain: 0

Recused: 0

APPROVAL OF MINUTES

[2020-0005](#) Approval of minutes for:

December 10, 2019 - CLOSED SESSION

December 10, 2019 - BPC MEETING

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

Yeas: 4 - Castellanos, Merrifield, Valderrama, and Zucchet

Nays: 0

Excused: 1 - Bonelli

Absent: 0

Abstain: 2 - Malcolm, and Moore

Recused: 0

CONSENT AGENDA

Commissioner Merrifield requested that Consent Agenda Item 8 - File No. 2019-0506 be pulled from consent for discussion.

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted the revised Consent Agenda as follows: Resolution 2020-001; Resolution 2020-002; Resolution 2020-003; Resolution 2020-004; Resolution 2020-005; Ordinance 2967; and Ordinance 2968. The motion carried by the following vote:

Yeas: 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Zucchet

Nays: 0

Excused: 1 - Bonelli

Absent: 0

Abstain: 0

Recused: 0

1. [2019-0525](#) RESOLUTION ACCEPTING AND FILING THE EXTERNAL AUDITOR'S REPORT ON THE AUDIT OF THE DISTRICT'S FINANCIAL STATEMENTS AND SINGLE AUDIT FOR THE YEAR ENDING JUNE 30, 2019

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted Resolution 2020-001 as part of the Consent Agenda.

2. [2019-0469](#) RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO AGREEMENT 285-2017MA WITH RICK ENGINEERING, AMENDMENT NO. 1 TO AGREEMENT 287-2017MA WITH FMF PANDION, AND AMENDMENT NO. 1 TO AGREEMENT 286-2017MA WITH TETRA-TECH, INC. FOR AS-NEEDED STORMWATER MANAGEMENT SERVICES INCREASING THE MAXIMUM EXPENDITURE BY \$750,000 FOR A NEW AGGREGATE AMOUNT NOT TO EXCEED \$1,500,000, EXTENDING THE AGREEMENT UNTIL JUNE 30, 2022, AND ESCALATING THE FULLY BURDENED HOURLY BILLING RATES BY 3% PER YEAR, EFFECTIVE JULY 1, 2020 THROUGH JUNE 30, 2022 FOR RICK ENGINEERING AND FMF PANDION. FUNDING FOR FISCAL YEAR 2020 IS BUDGETED AND FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED, SUBJECT TO BOARD APPROVAL

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted Resolution 2020-002 as part of the Consent Agenda.

3. [2019-0478](#) RESOLUTION AUTHORIZING AMENDMENT NO. 3 TO THE AGREEMENT WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA TO HOST CALIFORNIA SEA GRANT FELLOWS EXTENDING THE AGREEMENT FOR 1 YEAR AND INCREASING THE NOT-TO-EXCEED AMOUNT BY \$170,956 FOR A NEW TOTAL OF \$623,754. FY19/20 EXPENDITURES ARE BUDGETED

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted Resolution 2020-003 as part of the Consent Agenda.

4. [2020-0003](#) RESOLUTION RESCINDING BOARD OF PORT COMMISSIONERS POLICY NO. 451: USE OF THE DISTRICT'S PORTABLE STAGE

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.

5. [2019-0482](#) RESOLUTION AMENDING BOARD OF PORT COMMISSIONERS (BPC) POLICY NO. 035 - POWERS AND FUNCTIONS OF THE PORT AUDITOR

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted Resolution 2020-004 as part of the Consent Agenda.

6. [2019-0526](#) RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND AWARDING CONTRACT NO. 2019-34 TO _____ IN THE AMOUNT OF \$_____ FOR THE SAN DIEGO-CORONADO BAY BRIDGE ARTISTIC LIGHTING MOCK-UP TEST. FUNDS REQUIRED FOR FY20 EXIST IN THE PUBLIC ART FUND, TO BE USED AS NEEDED AND REIMBURSED AS DONATIONS AND IN-LIEU PERCENT FOR ART CONTRIBUTIONS ARE RECEIVED PURSUANT TO BPC POLICY NO. 608: TENANT PERCENT FOR ART PROGRAM. FUNDS REQUIRED FOR FUTURE FISCAL YEARS WILL BE BUDGETED IN THE APPROPRIATE FISCAL YEAR, SUBJECT TO BOARD APPROVAL UPON ADOPTION OF THAT 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.

7. [2019-0497](#) RESOLUTION AUTHORIZING AMENDMENT NO. 6 TO THE AGREEMENT WITH MOZAIK SOLUTIONS FOR EMERGENCY MANAGEMENT CONSULTING SERVICES, INCREASING THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT BY \$175,000.00 FROM A TOTAL OF \$689,395.50 TO \$864,395.50, REIMBURSABLE THROUGH THE PORT SECURITY GRANT PROGRAM, AND EXTENDING THE AGREEMENT TERM THROUGH AUGUST 31, 2022; FY 2020 EXPENDITURES, IF NEEDED, ARE BUDGETED. ALL 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 Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted Resolution 2020-005 as part of the Consent Agenda.

9. [2019-0508](#) CHULA VISTA BAYFRONT PUBLIC STREET & UTILITY EASEMENTS

ORDINANCE APPROVING SUBSTANTIALLY THE FORM OF A 66-YEAR NON-EXCLUSIVE EASEMENT TO THE CITY OF CHULA VISTA FOR STREET AND UTILITY PURPOSES LOCATED IN THE CITY OF CHULA VISTA, WITH CONDITIONS

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted Ordinance 2967 as part of the Consent Agenda.

10. [2019-0521](#) ORDINANCE AUTHORIZING (A) JOINT COMMUNITY FACILITIES AGREEMENT WITH THE CITY OF CHULA VISTA FOR THE BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT; AND (B) VOTE IN FAVOR OF PROPOSITIONS A, B, AND C RELATED TO THE BAYFRONT PROJECT SPECIAL TAX FINANCING DISTRICT

On a motion by Commissioner Castellanos, seconded by Commissioner Zucchet, the Board adopted Ordinance 2968 as part of the Consent Agenda.

PUBLIC HEARING AGENDA

- 11. [2019-0504](#) CONDUCT PUBLIC HEARING AND AMEND ORDINANCE ARTICLE 4, SECTION 4.14 OF THE SAN DIEGO UNIFIED PORT DISTRICT CODE REGULATING IN-WATER HULL CLEANING

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.

ACTION AGENDA

- 12. [2019-0445](#) PURCHASE, INSTALLATION, AND MAINTENANCE OF ENHANCED AIR FILTRATION SYSTEMS AT BARRIO LOGAN'S PERKINS ELEMENTARY SCHOOL FUNDED BY THE DISTRICT'S MARITIME INDUSTRIAL IMPACT FUND

A) RESOLUTION AUTHORIZING AN AGREEMENT BETWEEN THE DISTRICT AND THE SAN DIEGO UNIFIED SCHOOL DISTRICT TO PURCHASE, INSTALL, AND MAINTAIN ENHANCED AIR FILTRATION SYSTEMS AT PERKINS ELEMENTARY SCHOOL FOR \$488,165 IN ACCORDANCE WITH BOARD POLICY NO. 773, THE MARITIME INDUSTRIAL IMPACT FUND

B) ORDINANCE AMENDING THE FY2020 BUDGET ADDING \$188,165 FROM THE MARITIME INDUSTRIAL IMPACT FUND TO THE NON-PERSONNEL EXPENSE ITEM

Job Nelson, Chief Policy Strategist, addressed the Board with staff's report and presentation regarding Action Agenda Item 12 - File No. 2019-0445 (A copy of the staff report, presentations and any agenda-related materials are on file with the Office of the District Clerk).

The following member(s) of the public addressed the Board with agenda-related comments: Joy Williams, Environmental Health Coalition; Nancy Dinella, Community Engagement Director, IQAir Foundation; Panchito Martinez, Barrio Logan resident, and Perkins Elementary alumnus.

Commissioner Valderrama, Commissioner Castellanos, Commissioner Merrifield, and Commissioner Zucchet provided comments and asked clarifying questions. Mr. Nelson responded.

On a motion by Commissioner Valderrama, seconded by Commissioner Castellanos, the Board adopted Resolution 2020-006 and Ordinance 2969. The motion carried by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

13. [2019-0460](#) INFORMATIONAL PRESENTATION OF AN EDUCATIONAL PARTNERSHIP OPPORTUNITY WITH THE CHULA VISTA ELEMENTARY SCHOOL DISTRICT

Shirley Hirai, Manager of Equal Opportunity, Human Resources, addressed the Board with staff's report and presentation regarding Action Agenda Item 13 - File No. 2019-0460 (A copy of the staff report, presentations and any agenda-related materials are on file with the Office of the District Clerk). Ms. Hirai then turned the presentation to Matthew Tessier, Assistant Superintendent, Chula Vista School District, to discuss the three existing stations that provide career development experiences for students, shared a video demonstrating the student experience at the stations, and discussed the potential for development of the Port station. Dr. Tessier then turned the presentation back to Ms. Hirai to discuss next steps.

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

Commissioner Merrifield, Commissioner Castellanos, Commissioner Zucchet, Commissioner Valderrama, and Chair Moore, provided comments and asked clarifying questions. Dr. Tessier and Ms. Hirai responded.

14. [2019-0505](#) PRESENTATION ON NEW LEGISLATION FOR 2019-2020 PORT OF SAN DIEGO LEGISLATIVE PRIORITIES AND DIRECTION TO STAFF

Job Nelson, Chief Policy Strategist, Government & Civic Relations, addressed the Board with staff's report and presentation regarding Action Agenda Item 14 - File No. 2019-0505 (A copy of the staff report, presentations and any agenda-related materials are on file with the Office of the District Clerk). Mr. Nelson then turned the presentation to David Yow, Legislative Policy Administrator, Government & Civic Relations, to discuss the Port's 2019 legislative accomplishments and new priorities for 2020 at the state and federal levels. Mr. Yow then turned the presentation to Jonathan Clay, Legislative Advocate, Carpi & Clay, to discuss the State of California legislative landscape for 2020. Mr. Clay then turned the presentation to Mr. Nelson to close presentation.

Commissioner Malcolm, Commissioner Bonelli, Commissioner Castellanos, Commissioner Zucchet, and Commissioner Valderrama provided comments and asked clarifying questions. Mr. Nelson, Mr. Yow, Jason Giffen, Vice President of Planning, Environment, and Government Relations, Thomas A. Russell, General Counsel, and Mr. Clay responded.

8. [2019-0506](#) SEAPORT VILLAGE:

A) ORDINANCE GRANTING A LEASE TO SEAPORT ENTERTAINMENT, LLC --FOR A FULL-SERVICE RESTAURANT LOCATED AT 849 W. HARBOR DRIVE, SUITE E3 IN SAN DIEGO FOR A 10-YEAR TERM PLUS ONE 5-YEAR OPTION (FOR A TOTAL POTENTIAL TERM OF 15 YEARS)

B) ORDINANCE GRANTING A LEASE TO TRAVELER'S CONVENIENCE, INC. DBA SEAPORT MARKET (SEAPORT MARKET) FOR A SPECIALTY MARKET LOCATED AT 849 W. HARBOR DRIVE, SUITES C6A-A AND C6A-B IN SAN DIEGO FOR A TOTAL 10-YEAR TERM

Commissioner Merrifield requested to separate Item 8A from 8B and called for a motion to adopt 8A and hold 8B for discussion.

On a motion by Commissioner Merrifield, seconded by Commissioner Malcolm, the Board adopted Item 8A - Ordinance 2965. The motion carried by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

Item 8B - Commissioner Merrifield, Commissioner Malcolm, Commissioner Castellanos, Chair Moore, Commissioner Valderrama, and Commissioner Zucchet, provided comments and asked clarifying questions. William Metcalfe, Asset Manager, Real Estate, Anthony Gordon, Director, Real Estate, Lucy Contreras, Program Manager, Real Estate, Christopher Burt, Deputy General Counsel, General Counsel's Office, Thomas A. Russell, General Counsel, and Steve Abbo, Seaport Market, responded.

Commissioner Malcolm made a motion to approve 8B with the limitation of a maximum of 50% of gross sales to liquor and 50% of gross sales to other items and sundries listed in the use clause. Commissioner Valderrama seconded the motion, the Board thereby adopted Ordinance 2966. The motion carried by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

15. [2019-0485](#) REVIEW AND CONSIDERATION OF DRAFT PROPOSED BOARD AGENDA FOR THE FEBRUARY 11, 2020 MEETING

On a motion by Commissioner Valderrama, seconded by Commissioner Bonelli, the Board adopted the proposed agenda for February. The motion carried by the following vote:

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

Nays: 0

Excused: 0

Absent: 0

Abstain: 0

Recused: 0

OFFICER'S REPORT

16. [2020-0004](#) OFFICER'S REPORT

MONTHLY NOTIFICATION OF CHANGE ORDERS PURSUANT TO BPC POLICY NO. 110:

A) Change Order No. 1 to Contract No. 2019-19 with APR Construction, Inc. / 55 Calendar Day Time Extension thru 02/25/20

B) Change Order No. 1 to Contract No. 2018-04 with R.E. Staitte Engineering, Inc. / Increases Contract by \$233,000.00

C) Change Order No. 1 to Contract No. 2019-26 with Specialized Elevator Services, LLC / 136 Calendar Day Time Extension thru 05/15/20

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 Regents of UCSD - Scripps Institution of Oceanography for San Diego Bay Wave Monitoring Pilot Program, for total amount \$1,658.00

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

None to Report

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

None to Report

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

None to Report

CLOSED SESSION

Thomas A. Russell, General Counsel, announced the Closed Session items as follows:

- 1. [2019-0512](#) Closed Session Item No. 1

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Subdivision (d)(1) of Government Code Section 54956.9

Enterprise Rent-A-Car Co. of Los Angeles, LLC, et al. v San Diego Unified Port District, et al.
San Diego Superior Court Case No. 37-2018-00028276-CU-MC-CTL
No reportable action was taken on this item.

- 2. [2019-0513](#) Closed Session Item No. 2

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION Pursuant to Subdivision (d)(1) of Government Code Section 54956.9

Enterprise Rent-A-Car Co. of Los Angeles, LLC, et al. v San Diego Unified Port District, et al.
San Diego Superior Court Case No. 37-2019-00029137-CU-MC-CTL
No reportable action was taken on this item.

- 3. [2019-0518](#) Closed Session Item No. 3

CONFERENCE WITH REAL PROPERTY NEGOTIATOR Government Code Section 54956.8

Property: SDUPD - Chula Vista Bayfront parcel consisting of approximately 74.7 acres of land at H Street and Marina Parkway, Chula Vista

Negotiating Parties:

RIDA Chula Vista, LLC - Ira Mitzner and Luke Charlton;
City of Chula Vista - Gary Halbert;
SDUPD - Shaun Sumner, Tony Gordon, Adam Meyer, Stephanie Shook
and Sean Jones.

Under Negotiations: Price and Terms

No reportable action was taken on this item.

4. [2019-0515](#) Closed Session Item No. 4

CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION
Pursuant to Subdivision (d)(4) of Government Code Section 54956.9

One (1) Case

No reportable action was taken on this item.

5. [2019-0517](#) Closed Session Item No. 5

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Government Code Section 54956.8

Property: Approximately 171,660 square feet of tideland area located at
1960 Harbor Island Drive in the City of San Diego

Negotiating Parties:

Bartell Hotels, a California limited partnership - Richard Bartell
SDUPD - Shaun Sumner, Tony Gordon, Penny Maus

Under Negotiations: Price and Terms

No reportable action was taken on this item.

The Closed Session adjourned at 6:00 pm.

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

ATTEST:

Clerk of the San Diego Unified Port District