



# San Diego Unified Port District

3165 Pacific Hwy.  
San Diego, CA 92101

## Special Meeting Minutes

### Board of Port Commissioners

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Tuesday, January 9, 2018

2:00 PM

Don L. Nay Port Administration Boardroom

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#### Special BPC Meeting

#### A. Roll Call.

**Present:** 6 - Chairperson Castellanos, Commissioner Malcolm, Commissioner Merrifield, Commissioner Moore, Commissioner Valderrama, and Commissioner Bonelli

**Excused:** 1 - Commissioner Zucchet

**Absent:** 0

*Officers Present: Coniglio, DeAngelis, Russell, Monson, and Morales.*

#### B. Closed Session Report Out.

*Thomas A. Russell, General Counsel, announced that the Board considered Item 1 - File No. 2017-0656 and Item 2 - File No. 2017-0654 on the Closed Session Agenda, and that Closed Session Item 3 - File No. 2018-0002 will be considered at the conclusion of this meeting. Additionally, Mr. Russell reported that Chairman Castellanos recused himself from any participation on Closed Session Item 1.*

#### C. Pledge of Allegiance.

*Commissioner Bonelli led the Pledge of Allegiance.*

*Donna Morales, District Clerk, swore in Commissioner Moore as Secretary to the Board of Port Commissioners.*

#### D. Public Communications.

*The following member(s) of the public addressed the Board with non-agenda related comments: Karen McManus, President, and Brian Clapper, Vice President, Maytime Band Association; Matt Reynolds, Co-Founder, Extreme Sailing Series; and Peter Halmay, President, San Diego Fishermen's Working Group.*

**E. Commissioners' Reports.**

*Commissioner Merrifield reported out that the Port's first electric drayage vehicle is fully charged and now operating at the Tenth Avenue Marine Terminal. This is the first fully electric drayage vehicle operating in California.*

*Commissioner Valderrama thanked Tanya Casteneda, Principal Public Information Officer, Marketing & Communications, for her excellent work and support to him as Chairman during 2017.*

*Chairman Castellanos provided report on the Alpha Project homeless outreach services. Chairman Castellanos explained that a contract amendment to increase homeless outreach services on the waterfront is to begin in February. The increased services will provide coverage 7 days a week, two additional full-time employees, and a transportation van to transport people to temporary shelters. In November and December the Alpha Project assisted 27 homeless individuals on the waterfront to find temporary shelter.*

*Chairman Castellanos called for a moment of silence to remember Longshoreman Phillip Vargas who died from an on the job accident at the Tenth Avenue Marine Terminal.*

**F. President's Report.**

*Randa Coniglio, President/CEO, recognized Justin Hocanson, Humberto Garcia, Larry Newson and Rene Gallegos for their extraordinary performance in aiding a woman who was assaulted and helping with the apprehension of the suspect. Ms. Coniglio thanked them all for going above and beyond, and for their courage and sound judgement.*

*Ms. Coniglio then invited the Port of San Diego's 2017 Sea Grant Fellows, Heather Kramp, William Jones, and Lily Tsukayama, to provide a report highlighting their accomplishments and experiences for the past year.*

**G. District Clerk's Announcements.**

*Donna Morales, District Clerk, offered that copies of agenda related materials submitted after the publication of the agenda were available at the Clerk's desk. Additionally, Ms. Morales reported, as required by the Brown Act and as directed by the Board of Port Commissioners, that on today's agenda is an item taking final action to amend the employment agreement for the General Counsel that will modify his term, salary and compensation paid in the form of fringe benefits. Additional information can be found in the agenda prepared for that item. Also, Ms. Morales announced that staff requested to continue the following items: Consent Agenda Item 8 - File No. 2017-0653; Consent Agenda Item 12 - File No. 2018-0006; Action Agenda Item 27 - File No. 2017-0647; and Action Agenda Item 28 - File No. 2017-0650.*

**On a motion by Commissioner Valderrama, seconded by Commissioner Bonelli, the Board approved the requested docket changes. The motion carried by the following vote:**

**Yeas:** 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 1 - Zucchet

**Absent:** 0

Abstain: 0

Recused: 0

## **CONSENT AGENDA**

On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted the Consent Agenda as follows: Resolution 2018-001; Resolution 2018-002, Resolution 2018-003; Resolution 2018-004; Resolution 2018-005; Resolution 2018-006; Resolution 2018-007; Resolution 2018-008; Resolution 2018-009; Resolution 2018-010; Resolution 2018-011; Resolution 2018-012; Resolution 2018-013; Resolution 2018-014; Resolution 2018-015; Resolution 2018-016; Resolution 2018-017; and Resolution 2018-018. The motion carried by the following vote:

**Yeas:** 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 1 - Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 0

1. [2017-0646](#) Approval of minutes for:  
December 5, 2017 - CLOSED SESSION  
December 5, 2017 - REGULAR SESSION  
December 12, 2017 - CLOSED SESSION  
December 12, 2017 - PORT MASTER PLAN UPDATE WORKSHOP  
  
On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board approved the minutes as part of the Consent Agenda.
2. [2017-0431](#) RESOLUTION SELECTING AND AUTHORIZING AGREEMENTS WITH GLEN A. RICK ENGINEERING & DEVELOPMENT CORPORATION, TETRA TECH, INCORPORATED AND FMF PANDION FOR AS-NEEDED STORMWATER MANAGEMENT SERVICES FOR AN AGGREGATE AMOUNT NOT TO EXCEED \$750,000 FOR A PERIOD OF 3 YEARS  
  
On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-001 as part of the consent agenda.

3. [2017-0487](#) RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO INCREASE THE COMBINED AMOUNT OF THE AS-NEEDED AGREEMENTS BY \$500,000 WITH AECOM TECHNICAL SERVICES INC., ARCADIS US INC., HARRIS & ASSOCIATES INC., INFRASTRUCTURE ENGINEERING CORP., AND PSOMAS FOR PROJECT MANAGEMENT/CONSTRUCTION MANAGEMENT SERVICES, INCREASING THE AGGREGATE TOTAL FOR CURRENT AND FUTURE FISCAL YEARS FROM \$2,000,000 TO \$2,500,000 THEREBY INCREASING THE CAPACITY OF THESE AGREEMENTS TO A LEVEL ALLOWING EXECUTION ON BUDGETED PROJECTS WITH NO CORRESPONDING INCREASE REQUIRED TO APPROVED CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROGRAM BUDGETS

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-002 as part of the consent agenda.**

4. [2017-0488](#) RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO INCREASE THE COMBINED AMOUNT OF THE AS-NEEDED AGREEMENTS BY \$200,000 WITH BSE ENGINEERING INC. AND IMEG CORP. FOR ELECTRICAL ENGINEERING SERVICES, INCREASING THE AGGREGATE TOTAL FOR CURRENT AND FUTURE FISCAL YEARS FROM \$1,000,000 TO \$1,200,000 THEREBY INCREASING THE CAPACITY OF THESE AGREEMENTS TO A LEVEL ALLOWING EXECUTION ON BUDGETED PROJECTS WITH NO CORRESPONDING INCREASE REQUIRED TO APPROVED CAPITAL IMPROVEMENT AND MAJOR MAINTENANCE PROGRAM BUDGETS

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-003 as part of the consent agenda.**

5. [2017-0504](#) RESOLUTION SELECTING AND AUTHORIZING A SERVICE AGREEMENT WITH MARINE GROUP BOAT WORKS, LLC FOR THE REPLACEMENT OF THE FIRE FIGHTING PIPING SYSTEM ON FOUR (4) HARBOR POLICE MARINE FIRESTORM VESSELS FOR AN AMOUNT NOT TO EXCEED \$207,608

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-004 as part of the consent agenda.**

6. [2017-0505](#) RESOLUTION SELECTING AND AUTHORIZING A PURCHASE AGREEMENT WITH DOWNTOWN FORD SALES FOR THE PURCHASE OF FOUR ONE-TON RENEWABLE DIESEL POWERED TRUCKS FOR AN AMOUNT NOT TO EXCEED \$213,957

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-005 as part of the consent agenda.**

7. [2017-0533](#) RESOLUTION REAPPOINTING JEFFREY MILLER TO THE SAN DIEGO UNIFIED PORT DISTRICT AUDIT OVERSIGHT COMMITTEE (AOC) FOR A THIRD TERM OF THREE YEARS DURATION COMMENCING JANUARY 1, 2018

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-006 as part of the consent agenda.**

8. [2017-0653](#) RESOLUTION AUTHORIZING AMENDMENT NO. 1 TO AGREEMENT WITH MARINE GROUP BOAT WORKS, LLC, FOR FULL SERVICE IMPOUNDED VESSEL SERVICES, INCREASING THE MAXIMUM AMOUNT PAYABLE UNDER THE AGREEMENT BY \$374,000 FOR A NEW MAXIMUM AMOUNT OF \$974,000

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.**

9. [2017-0542](#) RESOLUTION AUTHORIZING A PURCHASE ORDER TO ACQUIRE COMPUTER HARDWARE FROM GOVCONNECTION INCORPORATED FOR USE IN THE COMPUTER-AIDED DISPATCH REPLACEMENT PROJECT IN AN AMOUNT NOT TO EXCEED \$355,000, PARTIALLY FUNDED BY PORT SECURITY GRANT PROGRAM FY 2015 (EMW-2015-PU)

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-007 as part of the consent agenda.**

10. [2017-0576](#) RESOLUTION AUTHORIZING AMENDMENT NO. 1 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 \$138,953 FOR A NEW TOTAL OF \$314,020

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-008 as part of the consent agenda.**

11. [2017-0579](#) RESOLUTION APPROVING AMENDMENT TO THE EMPLOYMENT AGREEMENT FOR THE GENERAL COUNSEL

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-009 as part of the consent agenda.**

12. [2018-0006](#) RESOLUTION ADOPTING CHULA VISTA BAYFRONT DESIGN GUIDELINES DATED DECEMBER 28, 2017

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.**

13. [2017-0581](#) RESOLUTION APPROVING PLANS AND SPECIFICATIONS AND AWARDED CONTRACT NO. 2016-05R TENTH AVENUE MARINE TERMINAL ENTRY GATE SECURITY IMPROVEMENTS PROJECT TO JENNETTE COMPANY, INC. IN THE AMOUNT OF \$297,251.00 AS AUTHORIZED BY THE BOARD IN THE FY17/18 MAJOR MAINTENANCE PROGRAM AND FUNDED BY THE PORT SECURITY GRANT PROGRAM FY 2015 THROUGH 2018

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-010 as part of the consent agenda.**

14. [2017-0589](#) A) RESOLUTION WAIVING BPC POLICY NO. 110 SECTION II (D)(1) COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZING SEVEN MEDIA AGREEMENTS FOR AS-NEEDED DISTRICT MARKETING AND OUTREACH CAMPAIGNS TO SUPPORT VARIOUS LINES OF BUSINESS AND PUBLIC OUTREACH GOALS IN A TOTAL AMOUNT NOT TO EXCEED \$1,200,000 FROM FEBRUARY 1, 2018 THROUGH JUNE 30, 2023 WITH THE FOLLOWING LOCAL TELEVISION MEDIA ADVERTISING SERVICE PROVIDERS:
- SCRIPPS MEDIA, INC. DBA KGTV
  - TRIBUNE MEDIA COMPANY DBA KSWB
  - ENTRAVISION DBA KBNT
  - STATION VENTURE OPERATIONS, LP DBA KNSD
  - MIDWEST TELEVISION, INC. DBA KFMB
  - ENERGY COMMUNICATIONS CORPORATION DBA XEWT
  - MCKINNON BROADCASTING COMPANY DBA KUSI

B) RESOLUTION WAIVING BPC POLICY NO. 110 SECTION II (D)(1) COMPETITIVE BIDDING REQUIREMENTS AND AUTHORIZING EIGHT MEDIA AGREEMENTS FOR AS-NEEDED DISTRICT MARKETING AND OUTREACH CAMPAIGNS TO SUPPORT VARIOUS LINES OF BUSINESS AND PUBLIC OUTREACH GOALS IN A TOTAL AMOUNT NOT TO EXCEED \$900,000 FROM FEBRUARY 1, 2018 THROUGH JUNE 30, 2023 WITH THE FOLLOWING LOCAL RADIO MEDIA ADVERTISING SERVICE PROVIDERS:

- CITICASTERS CO. DBA IHEART
- LOCAL MEDIA SAN DIEGO, LLC
- UNIVISION RADIO SAN DIEGO, INC.
- BROADCAST COMPANY OF THE AMERICA'S, LLC
- ENTERCOM COMMUNICATIONS CORP.
- MIDWEST TELEVISION, INC. DBA KFMB STATIONS
- SAN DIEGO STATE UNIVERSITY FOUNDATION DBA KPBS
- UNIRADIO CORP.

**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-011 and Resolution 2018-012 as part of the consent agenda.**

15. [2017-0596](#) REVISIONS TO BPC POLICIES RELATED TO PUBLIC ART AND DONATIONS AND LOANS:  
A) RESOLUTION RESCINDING BPC POLICY NO. 611: RECEIPT OF DONATIONS AND LOANS;  
B) RESOLUTION AMENDING BPC POLICY NO. 609: PUBLIC ART PROGRAMS TO: INCORPORATE BPC POLICY NO. 611 PROCESSES INTO BPC POLICY NO. 609, INCLUDE ADMINISTRATIVE UPDATES, AND IMPROVE PROCEDURES RELATED TO THE MANAGEMENT OF THE DISTRICT'S PUBLIC ART PROGRAMS; AND  
C) RESOLUTION AMENDING BPC POLICY NO. 608: TENANT PERCENT FOR ART PROGRAM TO INCLUDE ADMINISTRATIVE UPDATES AND CLARIFY FULFILLMENT OPTIONS  
  
**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-013, Resolution 2018-014, and Resolution 2018-015 as part of the consent agenda.**
16. [2017-0597](#) RESOLUTION AUTHORIZING AMENDMENTS TO INCREASE THE COMBINED AMOUNT OF THE AS-NEEDED AGREEMENTS BY \$1,080,000 WITH MATISIA INC., ACME BUSINESS CONSULTING, LLC. (ASSIGNED AND ASSUMED BY EXCELERATE LLC.), AND AGILIS GROUP INC. FOR PROJECT MANAGEMENT OFFICE SERVICES, INCREASING THE AGGREGATE TOTAL FROM \$1,200,000 TO \$2,280,000 THROUGH NOVEMBER 4, 2019  
  
**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-016 as part of the consent agenda.**
17. [2017-0641](#) RESOLUTION CONSENTING TO A SUBLEASE BETWEEN MARINA CORTEZ, INC. AND PERSONAL TOUCH DINING, INC. FOR A FIVE-YEAR TERM WITH TWO FIVE-YEAR OPTIONS, WITH CONDITIONS  
  
**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-017 as part of the consent agenda.**
18. [2017-0642](#) RESOLUTION AUTHORIZING AGREEMENT WITH H.P. PURDON & COMPANY FOR SPONSORSHIP OF 2018 JULY 4TH BIG BAY BOOM FIREWORKS SHOW IN THE AMOUNT OF \$180,000 IN FUNDING AND \$140,185 IN DISTRICT SERVICES FOR A MAXIMUM AMOUNT NOT TO EXCEED \$320,185  
  
**On a motion by Commissioner Bonelli, seconded by Commissioner Merrifield, the Board adopted Resolution 2018-018 as part of the consent agenda.**



**PUBLIC HEARING AGENDA****19.     [2017-0478](#)     BAYSIDE PERFORMANCE PARK ENHANCEMENT PROJECT AND  
PORT MASTER PLAN AMENDMENT**

A) CONDUCT PUBLIC HEARING AND ADOPT RESOLUTION  
CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT,  
ADOPTING FINDINGS OF FACT AND STATEMENT OF OVERRIDING  
CONSIDERATIONS, ADOPTING THE MITIGATION MONITORING AND  
REPORTING PROGRAM, AND DIRECT THE FILING OF THE NOTICE OF  
DETERMINATION

B) CONDUCT PUBLIC HEARING AND ADOPT RESOLUTION  
APPROVING THE PORT MASTER PLAN AMENDMENT, AND  
DIRECTING FILING WITH THE CALIFORNIA COASTAL COMMISSION  
FOR CERTIFICATION

C) ADOPT RESOLUTION AUTHORIZING A BINDING LETTER OF  
INTENT (LOI) WITH SAN DIEGO SYMPHONY ORCHESTRA  
ASSOCIATION FOR A BAYSIDE PERFORMANCE PARK  
ENHANCEMENT PROJECT WITHIN THE EMBARCADERO MARINA  
PARK SOUTH

*Wileen Manaois, Director, Development Services, addressed the Board with staff's report and presentation regarding Public Hearing Item 19 - File No. 2017-0478 (A copy of the staff report, presentations and any agenda related materials are on file with the Office of the District Clerk). Ms. Manaois then turned the presentation over to Joseph Smith, Department Manager, Development Services to discuss Items A and B. Mr. Smith then turned the presentation over to Stephanie Shook, Department Manager, Real Estate, regarding Item C.*

*The following member(s) of the public addressed the Board with agenda related comments: Warren Kessler, Board Chair, San Diego Symphony; and Martha Gilmer, President/CEO, San Diego Symphony.*

*Commissioner Merrifield, Commissioner Moore, Commissioner Bonelli, and Chairman Castellanos offered varied comments.*

**On a motion by Commissioner Merrifield, seconded by Commissioner Moore, the Board adopted Item A - Resolution 2018-019. The motion carried by the following vote:**

**Yeas:** 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 1 - Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 0

*The previous public testimony by Warren Kessler and Martha Gilmer for Item A was also incorporated as part of the record for Item B.*

**On a motion by Commissioner Merrifield, seconded by Commissioner Moore, the Board adopted Item B - Resolution 2018-020. The motion carried by the following vote:**

**Yeas:** 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 1 - Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 0

**On a motion by Commissioner Merrifield, seconded by Commissioner Moore, the Board adopted Item C - Resolution 2018-021. The motion carried by the following vote:**

**Yeas:** 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 1 - Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 0

## **ACTION AGENDA**

### **20.     [2017-0584](#)     PRESENTATION OF SERVICE AWARDS TO EMPLOYEES WITH 15 OR MORE YEARS OF SERVICE**

*Maria Sarchi, Human Resources Technician, addressed the Board with staff's presentation regarding Action Agenda Item 20 - File No. 2017-0584. (A copy of the staff report, presentations and any agenda related materials are on file with the Office of the District Clerk). Ms. Sarchi then turned the presentation over to Randa Coniglio, President/CEO. Ms. Coniglio introduced Donna Morales, District Clerk, and thanked her for 15 years of service.*

21. [2017-0616](#) PRESENTATION ON NEW LEGISLATION FOR 2017-2018 PORT OF SAN DIEGO LEGISLATIVE PRIORITIES AND DIRECTION TO STAFF

*Job Nelson, Assistant Vice President, Marketing and External Relations addressed the Board with staff's report and presentation regarding Action Agenda Item - File No. 2017-0616 (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 over to Jonathan Clay, Legislative Advocate, to discuss State level legislation. Mr. Clay then turned the presentation over to David Yow, Legislative Policy Administrator, Government & Civic Relations, to discuss the emerging legislative priorities for 2018.*

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

*Commissioner Merrifield, and Commissioner Bonelli asked clarifying questions, and offered varied comments. Job Nelson, Mark Stainbrook, Acting Harbor Police Chief, Ellen Gross, Assistant General Counsel, and Jonathan Clay, responded on behalf of staff.*

22. [2017-0628](#) DISTRICT'S BLUE ECONOMY INCUBATOR

A) UPDATE ON BLUE ECONOMY INCUBATOR AND ASSOCIATED PILOT PROJECTS FROM ROUNDS ONE AND TWO

B) RESOLUTION AUTHORIZING AN AGREEMENT UNDER THE BLUE ECONOMY INCUBATOR SECOND ROUND OF INCUBATOR PROPOSALS WITH ZEPHYR DEBRIS REMOVAL LLC FOR A 1-YEAR PILOT PROJECT TO DEMONSTRATE A MARINE DEBRIS REMOVAL SYSTEM FOR A TOTAL AMOUNT NOT TO EXCEED \$100,000

*Philippe Leblanc, Program Manager, Planning & Green Port, addressed the Board with staff's report and presentation regarding Action Agenda Item 22 - File No. 2017-0628 (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: None*

*Commissioner Merrifield, Commissioner Malcolm, and Chairman Castellanos offered varied comments. Chairman Castellanos also announced that he would like to form a Blue Economy Planning Ad Hoc Committee to focus on medium and long-term strategic planning and would like Commissioners Malcolm, Moore, and Merrifield to serve on the Committee. Commissioners Malcolm, Moore and Merrifield agreed to serve on the Committee.*

**On a motion by Commissioner Valderrama, seconded by Commissioner Bonelli, the Board adopted Resolution 2018-022. The motion carried by the following vote:**

**Yeas:** 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 1 - Zucchet

Absent: 0

Abstain: 0

Recused: 0

23. [2018-0003](#) PRESENTATION ON THE REQUEST FOR PROPOSALS FOR THE APPROXIMATELY 14-ACRE WATERFRONT RETAIL OPPORTUNITY LOCATED AT 849 WEST HARBOR DRIVE IN THE CITY OF SAN DIEGO, AND BOARD ACTION INCLUDING RESOLUTION SELECTING STREAM REALTY PARTNERS, L.P. AS THE SUCCESSFUL PROPOSER OF THE REQUEST FOR PROPOSALS (RFP 17-52ME, WATERFRONT RETAIL OPPORTUNITY) (RFP) AND CONCLUDING THE RFP, RESERVING CERTAIN RIGHTS THEREUNDER

*Commissioner Moore recused herself from any participation on this item.*

*Tony Gordon, Director, Real Estate, addressed the Board with staff's report and presentation regarding Action Agenda Item 23 - File No. 2018-0003 (A copy of the staff report, presentations and any agenda related materials are on file with the Office of the District Clerk). Mr. Gordon then turned the presentation over to Penny Maus, Department Manager, Real Estate, to provide a high-level overview of the process. Ms. Maus then turned the presentation over to Alexa Paulus, Asset Manager, Real Estate, to discuss each of the proposals.*

*The following member(s) of the public addressed the Board with agenda related comments: Bret Morris, Managing Director, Stream Realty Partners; Jeff Essakow, CEO, Protea; Yehudi Gaffen, CEO, Protea; Daniel Reeves, Senior Vice President, Downtown San Diego Partnership; Phil Blair, Board Member, San Diego Regional Economic Development Corporation; and Alex Buggy, CEO, ABBA Project Management.*

*Commissioner Malcolm, Commissioner Merrifield, Commissioner Bonelli, Commissioner Valderrama, and Commissioner Castellanos offered varied comments, asked clarifying questions, and discussed the merits and disadvantages of the proposals. Randa Coniglio, President/CEO, and Penny Maus, responded on behalf of staff. Yehudi Gaffen, Protea, was called to the podium in response to Commissioner questions.*

**Commissioner Malcolm called for a motion to conditionally approve Protea for management of asset with the following conditions: Staff and Protea renegotiate the Management Fees and come back to Board for approval; the Incentive Management Fee, and Transition Fee are not acceptable as part of the fees; leasing commissions will be broken-out with a separate broker; Construction Management Fees will not be included except to the extent to when Port desires as an add-on. Based on the restructuring of fees, staff will be required to negotiate a commensurate drop in the Management Fees with Protea. Commissioner Bonelli seconded the motion. The motion carried by the following vote:**

**Yeas:** 4 - Castellanos, Malcolm, Valderrama, and Bonelli

**Nays:** 1 - Merrifield

**Excused:** 1 - Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 1 - Moore

- 24.**     [2017-0602](#)     RESOLUTION AMENDING BPC POLICY NO. 771: TIDELANDS ACTIVATION PROGRAM, TO INCORPORATE ADMINISTRATIVE UPDATES AND PROVISIONS FOR CONSIDERATION OF MULTI-YEAR SPONSORSHIP AGREEMENTS FOR SIGNATURE EVENTS

*No staff presentation was requested.*

*The following member(s) of the public addressed the Board with agenda related comments: Sandy Purdon, Executive Producer, Big Bay Boom; and Sharon Cloward, President, San Diego Port Tenants Association.*

*Commissioner Moore offered varied comments.*

**Commissioner Bonelli called for motion to accept staff recommendations, Commissioner Valderrama seconded the motion. Commissioner Moore called for a friendly amendment to the motion to modify BPC Policy No. 771 item 4.c. to read: "In the place of, or in addition to, consideration of economic and financial returns as set forth in B above, consider expected promotional and/or marketing value of the event for the District through attendee participation, event promotion and media coverage;". Commissioners Bonelli and Valderrama accepted the friendly amendment. The Board thereby adopted Resolution 2018-024. The motion carried by the following vote:**

**Yeas:** 6 - Castellanos, Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 1 - Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 0

25. [2017-0527](#) 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, 2017

*Robert Monson, Port Auditor, Office of the Port Auditor, addressed the Board with staff's report and presentation regarding Action Agenda Item 25 - File No. 2017-0527 (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: None*

*Commissioner Valderrama offered varied comments.*

**On a motion by Commissioner Valderrama, seconded by Commissioner Malcolm, the Board adopted Resolution 2018-025. The motion carried by the following vote:**

**Yeas:** 4 - Malcolm, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 3 - Castellanos, Merrifield, and Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 0

26. [2017-0562](#) REVIEW AND CONSIDERATION OF DRAFT PROPOSED BOARD AGENDA FOR THE FEBRUARY 6, 2018 MEETING

**On a motion by Commissioner Valderrama, seconded by Commissioner Moore, the Board adopted the draft agenda for the February 6, 2018 meeting. The motion carried by the following vote:**

**Yeas:** 5 - Malcolm, Merrifield, Moore, Valderrama, and Bonelli

**Nays:** 0

**Excused:** 2 - Castellanos, and Zucchet

**Absent:** 0

**Abstain:** 0

**Recused:** 0

27. [2017-0647](#) SAN DIEGO GAS & ELECTRIC (SDG&E) POWER YOUR DRIVE PROGRAM  
A) PRESENTATION ON SAN DIEGO UNIFIED PORT DISTRICT'S APPLICATION AND PARTICIPATION IN SAN DIEGO GAS & ELECTRIC (SDG&E) POWER YOUR DRIVE PROGRAM; AND  
B) ORDINANCE APPROVING EASEMENTS FOR SITES LOCATED AT: PORT ADMINISTRATION PARKING LOT 3165 PACIFIC HWY, SAN DIEGO, CA 92101; GENERAL SERVICES PARKING LOT 1400 TIDELANDS AVENUE, NATIONAL CITY, CA 91950 AND HARBOR POLICE HEADQUARTERS PARKING LOT 3380 N HARBOR DRIVE, SAN DIEGO, CA 9210; AND SITE HOST PARTICIPATION PROGRAM AGREEMENT WITH SDG&E

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.**

28. [2017-0650](#) PRESENTATION AND UPDATE ON THE SAN DIEGO OCEAN PLANNING PARTNERSHIP, A COLLABORATIVE PARTNERSHIP BETWEEN THE CALIFORNIA STATE LANDS COMMISSION AND SAN DIEGO UNIFIED PORT DISTRICT

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.**

**29.     [2017-0648](#)     MONTHLY NOTIFICATION REPORTS**

Monthly Notification of Change Orders Pursuant to BPC Policy No. 110:

A) Change Order No. 5 to Contract No. 2014-29 with Reyes Construction, Inc. / Increases Contract by \$1,810.70

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 Dixieline Lumber Company for National City Street Closure Project, for total amount \$1,100.00

B) Request for User Fee Waiver Form from C&W Diving Services, Inc. for C&W Diving Services, Inc. Permit, for total amount \$1,358.00

Monthly Notification of Rent Reviews Completed Administratively Pursuant to BPC Policy No. 355 as Amended on January 10, 2017:

A) Rent Review Letter with Koehler Kraft Company, Inc. for Rental Period Beginning 03/01/17 thru 02/28/27

B) Amendment No. 1 to Lease (#51559) with Oak Park Apartments, Inc. (Best Western Yacht Harbor) / Amends Paragraph 2(b) Related to Use, and Paragraphs 3(b), 3(c)(1), 3(c)(2), 3(c)(7), and 3.2(a) Related to Percentage Rent Increase in Room Rents and Banquet Rooms and Parking (Rent Review)

Monthly Notification of Encumbrances Consented to Administratively Pursuant to BPC Policy No. 355 as Amended on January 10, 2017:

A) Encumbrance Review, Assignment and Approval with One Park Boulevard, LLC dba Hilton San Diego Bayfront Hotel in Favor of Wells Fargo Bank, National Association (to be Assigned to Wilmington Trust, National Association) in the Amount of \$200,000.00

B) Amendment No. 1 to Lease (#49978) with One Park Boulevard, LLC dba Hilton San Diego Bayfront Hotel / Amends Paragraph 8(j) Related to the Lease Encumbrance



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

ATTEST:

\_\_\_\_\_  
*Clerk of the San Diego Unified Port District*