

**MINUTES
BOARD OF PORT COMMISSIONERS
SAN DIEGO UNIFIED PORT DISTRICT**

The regular meeting of the Board of Port Commissioners of the San Diego Unified Port District was called to order by Chairman Valderrama at 2:08 p.m., Tuesday, January 5, 2010, in the Board Room at 3165 Pacific Highway, San Diego, California.

ROLL CALL

Agenda Item 2.

Present: COMMISSIONERS Bixler, Burdick, Cushman, Padilla, Peters, Smith, and Valderrama.

OFFICERS Bennett, Liner, Kirkpatrick, McEntee, and Wurster.

Absent: No Commissioners absent.

Excused: None.

PUBLIC COMMUNICATIONS

Agenda Item 4. Katheryn Rhodes addressed the Board regarding a new Chargers NFL Stadium, the Convention Center Phase III expansion, and the fireworks display permitting process. She distributed to the Board an information packet, dated November 30, 2009, and addressed to Mr. Mark Fabiani - Special Counsel, National Football League (NFL) Chargers. The packet was titled: The Challenges, Issues, and Solutions for a Proposed Redevelopment Agreement (PRA) for a New Multi-Purpose Chargers NFL Stadium and Convention Center Phase III Expansion East Village Neighborhood of Downtown, San Diego, California. (A copy of the materials presented to the Board is on file in the Office of the District Clerk.)

APPROVAL OF MINUTES

Agenda Item 3. Commissioner Burdick requested and received confirmation from the District Clerk that the minutes would be amended to correctly reflect that Commissioner Padilla was in attendance at the December 1, 2009 Special Meeting (Closed Session). As he was not a member of the Board in December, Commissioner Smith stated that he would abstain from voting. On motion of Commissioner Bixler,

seconded by Commissioner Padilla, the Board approved in a single vote, the minutes submitted for the regular and special meetings of December 1, 2009 and December 2, 2009 as amended, by the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-Smith.

PLEDGE OF ALLEGIANCE

Agenda Item 1. Commissioner Lou Smith led the Pledge of Allegiance.

CONSENT AGENDA

Chairman Valderrama requested that District Clerk Mary Ann Liner announce any docket changes. She announced the following items: staff recommended that **Consent Agenda Item 12**, Resolution Granting Indemnity to the County of San Diego and City of San Diego from any claim, action or proceeding arising from the Harbor Police Department's (HPD's) participation in the San Diego Regional Command and Control Communications Program, be continued to a future board meeting; and staff requested that **Presentation/Action Agenda Item 18**, Resolution Authorizing Continuation of 2009 Tenant Rent Relief Program, be moved to the Consent Agenda.

On a motion by Commissioner Peters, seconded by Commissioner Burdick, the Board accepted the staff recommendation, as presented by the District Clerk, by the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

Chairman Valderrama announced that one public comment request was submitted for Consent Agenda Item 9.

Agenda Item 9. Katheryn Rhodes addressed the Board in favor of the staff recommendation and requested that an investigation be conducted regarding what she characterized as an active Coronado Fault and the resulting documentation be submitted to the California state geologist.

Commissioner Smith requested that **Consent Agenda item 18**, a Resolution Authorizing Continuation of 2009 Tenant Rent Relief Program, be pulled for further clarification.

On motion of Commissioner Burdick, seconded by Commissioner Peters, the Board, with a single vote, adopted Consent Agenda items 5, 6, 7, 8, 9, 10, and 11 (**Resolution 2010-01** through and including **Resolution 2010-05**; **Ordinance 2594**; **Resolution 2010-06**) by the following vote: Yeas-Bixler, Burdick, Cushman,

Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

Agenda Item 5. **Resolution 2010-01**, Authorizing Amendment No. 6 to Agreement with Bermello Ajamil and Partners, Inc. to provide signage and graphics design services for the Broadway Pier Cruise Ship Terminal and increasing the amount by \$61,000 for a new not to exceed amount of \$3,484,788, was adopted as part of the consent agenda.

Agenda Item 6. **Resolution 2010-02**, Selecting and Authorizing a Three Year Agreement with Elite Show Services for security guard services at the Port Administration Building for an amount not to exceed \$451,597.20, was adopted as part of the consent agenda.

Agenda Item 7. **Resolution 2010-03**, Authorizing an Agreement with the City of National City for police, fire, and emergency medical services in an amount not to exceed \$2,275,191 for the period beginning July 1, 2009 and ending June 30, 2012, was adopted as part of the consent agenda.

Agenda Item 8. **Resolution 2010-04**, Authorizing Second Amendment to Agreement with URS Corporation, a Nevada Corporation doing business in California as URS Corporation Americas, for \$85,000 for a new total not to exceed amount of \$535,000, was adopted as part of the consent agenda.

Agenda Item 9. **Resolution 2010-05**, Selecting and Authorizing Agreement with Dudek for environmental review consulting services for the North Embarcadero Port Master Plan Amendment Project for an amount not to exceed \$347,578, was adopted as part of the consent agenda.

Agenda Item 10. **Ordinance 2594**, Amending the FY 09/10 Capital Major Maintenance and Operating Budgets – increasing the Capital Major Maintenance Budget by \$12,094,800 and decreasing the Operating Expense Budget by \$7,569,500, was adopted as part of the consent agenda.

Agenda Item 11. **Resolution 2010-06**, Approving a Tenant Public Art Proposal by Artist Miki Iwasaki for the Bali Hai Restaurant, was adopted as part of the consent agenda.

Agenda Item 12. **Item continued.**

CONSENT AGENDA (continued)

Commissioner Cushman acknowledged that with the Board adoption of Consent **Agenda Item 6**, a Resolution selecting and authorizing a three-year agreement with Elite Show Services for security guard services at the Port Administration Building for an amount not to exceed \$451,597.20, the District has engaged a contractor that would provide 75% of the cost of health care benefits to their employees.

RESOLUTION AUTHORIZING CONTINUATION OF 2009 TENANT RENT RELIEF PROGRAM

Agenda Item 18. Commissioner Smith requested and received clarification from Assistant Vice President - Operations Randa Coniglio regarding the continuation of the Tenant Rent Relief Program. In response to Commissioner Smith's concerns regarding the risk that the District may be assuming by continuing to provide rent relief, Ms. Coniglio explained that in January 2010 interest would begin to accrue on the deferred rent. She further explained that following the six-month extension, currently under consideration, staff recommended that any future accommodation be considered on a case-by-case basis for any tenant that was continuing to experience difficulties. Ms. Coniglio explained that the District had not amended any leases and had letter agreements that specifically state that the tenants participating in the program have in no way been relieved of their obligation.

As Tenant Rent Relief was not an interest-free loan program, Commissioner Bixler requested and received confirmation from Ms. Coniglio that the tenants participating in the program agreed that interest would be charged beginning in January 2010 on past due amounts. She further explained that the interest rate would be determined quarterly and based upon the District's portfolio rate of return for the prior month.

Commissioner Burdick stated that she was in support of continuing the program for six months as recommended by staff.

On motion of Commissioner Burdick, seconded by Commissioner Peters, the Board adopted **Resolution 2010-09**, Authorizing Continuation of 2009 Tenant Rent Relief Program, by the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

PRESENTATION/ACTION AGENDA

PRESENTATION ON TWO BOOKS DISCUSSING BAY WILDLIFE AND HABITATS PREPARED BY HIGH TECH HIGH AND OCEAN DISCOVERY INSTITUTE

Agenda Item 13. Environmental Services Department Assistant Director, Eileen Maher addressed the Board regarding two books that discuss the San Diego Bay's wildlife and habitats. She introduced Dr. Jay Vavra from High Tech High and Mr. Ted Griswold from the Ocean Discovery Institute. Both men addressed the Board regarding their involvement with the District, and thanked the District for their assistance in funding their respective books entitled *San Diego Bay: A Call for Conservation* and *Into the Wetlands, An Aquatic Adventure*. A copy of each book was presented to the Commissioners.

Commissioner Peters acknowledged Commissioner Emeritus Spane and his efforts to initiate the Environmental Fund. He stated that due to the establishment of the fund commendable projects, such as the ones presented, were possible.

Commissioner Burdick commended the extraordinary efforts of High Tech High and the Ocean Discovery Institute for producing the books. She thanked and acknowledged their efforts to engage young people in very important environmental and water issues.

PRESENTATION AND DIRECTION TO STAFF REGARDING PROPOSED OPEN AIR CINEMA SERIES

Agenda Item 14. Community Services Assistant Director Jim Hutzelman addressed the Board with a presentation regarding a proposed Open Air Cinema film experience and requested direction. He introduced Julie Fram representing US Open Air, who addressed the Board with their business plan.

Commissioner Peters requested and received confirmation from Mr. Hutzelman that the proposal presented was not part of the Cinema Society of San Diego and the Cinema on the Bay program. Commissioner Peters expressed concern that representatives from the Cinema Society of San Diego and Cinema on the Bay were not aware of the project that had been presented. He urged staff to engage with all interested parties that were requesting support for similar events; he also requested that staff confirm that the Cinema Society of San Diego and Cinema on the Bay was aware of the proposal by US Open Air. Mr. Hutzelman acknowledged the Commissioner's request and explained that staff had met with representatives regarding

Cinema Society of San Diego and Cinema on the Bay, and while their proposal had some similarities, the Cinema Society indicated that it would be submitting an application through the Marketing and Fee for Service program and seeking support for a free public event.

Commissioner Burdick requested and received clarification that the San Diego Symphony Summer Pops concert series ends on Labor Day weekend and that the Open Air Cinema would begin following the conclusion of the symphony series. She supported Commissioner Peters' request that staff work directly with members of the public proposing to utilize the tidelands for their events or projects. She also encouraged staff to move forward with stakeholder outreach and queried as to whether it was appropriate to provide direction to staff regarding the Tidelands Use and Occupancy Permit prior to stakeholder input.

Commissioner Smith expressed concern regarding possible impacts to the citizens of Coronado. He requested that staff consider the light emitted from the 3000 square foot screen and noise from the event as they move forward with assessing the project.

In light of the discussion regarding outreach efforts Commissioner Cushman requested that the item be tabled.

On a motion by Commissioner Cushman, seconded by Commissioner Peters the Board voted to table the item by the following vote: Yeas-Cushman, Padilla, Peters, Smith, Valderrama; Nays-Burdick, Bixler; Excused-None; Absent-None; Abstained-None.

Commissioner Peters stated that, as a member of the majority of the Board that voted to table the discussion, he would support bringing the item back before the Board following community outreach efforts by staff.

Commissioner Cushman stated that he supported the concept for the project; however, he expressed concern regarding the level of stakeholder communication and encouraged the investigation necessary regarding the impact to the citizens of Coronado. He concurred with Commissioner Burdick regarding continuing outreach efforts and requested that staff bring the item back to the Board for further consideration.

PRESENTATION OF THE DISTRICT'S EQUAL OPPORTUNITY PROGRAM ANNUAL REPORT FOR FISCAL YEAR 2009

Agenda Item 15. Equal Opportunity Program Manager Shirley Grothen addressed the Board and presented the District's Equal Opportunity Program Annual Report. (Copies of the staff report and presentation are on file in the Office of the District Clerk.)

Commissioner discussion ensued. Commissioner Smith acknowledged Ms. Grothen for an informative and thorough presentation, and he recognized the tracking tools utilized by staff to monitor trends.

Chairman Valderrama concurred with Commissioner Smith's comments regarding the effectiveness of Ms. Grothen's presentation. As an advocate for hiring the most qualified applicant, he encouraged all of the District's hiring authorities to be mindful of recruiting, interviewing, and hiring minority applicants for managerial and leadership positions when possible.

PUBLIC HEARING/ACTION AGENDA

B STREET PIER SHORE POWER PROJECT

Agenda Item 16AB. Chairman Valderrama opened the public hearing regarding a Resolution Adopting the Final Mitigated Negative Declaration for the B Street Pier Shore Power Project, and directed the filing of the Notice of Determination.

Land Use Planning Senior Redevelopment Planner Matt Valerio addressed the Board with a staff report regarding the B Street Pier Shore Power Project. (A copy of the presentation and staff report are on file in the Office of the District Clerk.)

Commissioner discussion ensued. Commissioner Peters requested and received confirmation from Chairman Valderrama that no speaker slips had been submitted for the public hearing. Chairman Valderrama stated, for the record, that no members of the public came forward and requested to speak; thus, he closed the public hearing.

Commissioner Peters stated his support of the project. He requested further clarification regarding the need to address the viewshed issue as raised in the California Coastal Commission letter dated January 4, 2010. Mr. Valerio stated that it was the opinion of staff that the Mitigated Negative Declaration clearly provided an evaluation of the aesthetic impacts of the project regarding actual views of the bay water. (A copy of

the California Coastal Commission letter dated January 4, 2010 is on file in the Office of the District Clerk.)

Commissioner Peters made a motion, which was seconded by Commissioner Smith, to accept the staff recommendation.

Commissioner Bixler stated, for the record, that a letter was received from the California Coastal Commission dated January 4, 2010, and was distributed to the Board prior to the Board Meeting. The correspondence referenced the B Street Shore Power Project Draft Mitigated Negative Declaration. Commissioner Bixler stated that the project was one that the Board, staff, and various public committees had worked on for a number of years and that those facts be communicated to the Coastal Commission. He requested that the record reflect that the Board had considered the Coastal Commission letter regarding the matter.

On motion of Commissioner Peters, seconded by Commissioner Smith, the Board adopted, with a single vote, **Resolution 2010-07**, adopting the Final Mitigated Negative Declaration for the B Street Pier Shore Power Project, and direct the filing of the Notice of Determination; and **Resolution 2010-08**, authorizing Issuance of a Non-Appealable Coastal Development Permit, by the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

PRESENTATION BY STAFF REGARDING OPTIONS FOR INCREMENTAL IMPROVEMENTS TO THE "B" STREET CRUISE SHIP TERMINAL AND AUTHORIZATION TO ADVERTISE A REQUEST FOR QUALIFICATIONS (RFQ) TO SEEK AN ARCHITECTURAL/ENGINEERING CONSULTANT TO DEVELOP PLANS AND SPECIFICATIONS FOR THE INCREMENTAL IMPROVEMENTS

Agenda Item 17. Marketing Manager Jackie Williams and Director of Engineering Brian Stup addressed the Board with a presentation regarding the cruise industry. Mr. Stup detailed the redevelopment planning and incremental improvements to the B Street Cruise Ship Terminal. He concluded his presentation requesting that the Board authorize staff to advertise a request for qualifications (RFQ) to seek an architectural/engineering consultant to develop plans and specifications for the incremental improvements. (A copy of the staff report and presentation are on file in the Office of the District Clerk.)

Chuck Hanson representing the District's Cruise Industry Advisory Committee addressed the Board regarding the economic benefits of the cruise industry to the

region, the customer service needs of cruise passengers, and he urged support of the staff recommendation.

Commissioner discussion ensued. Commissioner Bixler requested that the review and development plan include clarification regarding the most cost-effective solution to repair the skirt wall under the B Street pier. He reviewed the vision of the Cruise Industry Advisory Committee regarding the development and preparation of the port facility in the vicinity of Broadway Navy Pier and B Street, with potential to provide service to four cruise ship vessels in quick succession. He encouraged his fellow Commissioners' support for modernizing the facilities and moving forward with the infrastructure to support the growing cruise industry in San Diego. Commissioner Bixler stated he was prepared to make a motion in support of the staff recommendation.

Commissioner Smith commended staff for their report, and stated he was in favor of the staff recommendation and in support of the project. In light of the scope of the project, Commissioner Smith recommended staff present the financial requirements for improvements in reasonable increments. He cautioned that the actual cost of the project may be more than originally projected.

Commissioner Padilla commended the members of the Cruise Industry Advisory Committee and staff. He stated that he was in support of the staff recommendation to review the necessary modifications to the project and looked forward to reviewing the analysis.

Commissioner Burdick stated that she was in support of the staff recommendation and urged moving forward with the facilities.

Chairman Valderrama commended staff for their presentation and acknowledged Marketing Director Rita Vandergaw for her continuous efforts to move the project forward.

Commissioner Bixler also acknowledged Ms. Vandergaw for her efforts to support the development of the cruise industry in San Diego.

On a motion by Commissioner Bixler, seconded by Commissioner Burdick, the Board authorized staff to advertise a Request for Qualifications (RFQ) to seek an architectural/engineering consultant to develop plans and specifications for the incremental improvements, by the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

RESOLUTION ADOPTING PLANS AND SPECIFICATIONS AND AWARDING CONTRACT NO. 2007-25 TO MILLER ENVIRONMENTAL INCORPORATED FOR TELEDYNE RYAN SITE DEMOLITION PROJECT PHASE 1 IN THE AMOUNT OF \$6,984,432.30

Agenda Item 19. Engineering Department Capital Project Manager Charlene Dennis addressed the Board with a staff report regarding the Teledyne Ryan Site Demolition Project Phase 1 and requested the Board consider awarding Contract No. 2007-25 to Miller Environmental Incorporated. (Copies of the staff report and presentation are on file in the Office of the District Clerk.)

Miller Environmental Incorporated Vice President Rob Schaeffer addressed the Board on behalf of his company and thanked them for their consideration of his submittal. He briefly reviewed the District projects that Miller Environmental Incorporated had completed. He concluded his remarks stating he was available for any questions.

Commissioner discussion ensued. Commissioner Bixler expressed concern that the bids that had been submitted for the project ranged from \$6.9 million to \$17.9 million. In light of the disparate bids, he requested clarification regarding a contingency in the event of an unforeseen need for additional work. He also requested clarification regarding the bonding requirements. Commissioner Bixler requested and received clarification from Mr. Schaeffer regarding the sum of the performance bond. Mr. Schaeffer stated that the sum was \$7 million dollars and the fee was one percent of the total.

In the event that the company, to which the contract was awarded, was not able to complete the project, Commissioner Bixler requested and received clarification from CFO/Treasurer Jeff McEntee whether there was any recourse for the District beyond the level of the bond. Mr. McEntee introduced Chief Engineer Steve Kirkpatrick who explained that the performance and payment bond guarantees the completion of the work and that it was not related to the dollar amount of the contract. He explained that a bond was not an insurance policy against any cost overruns. Mr. Kirkpatrick stated that in the event of a discovery being made during the course of the work, that was not adequately shown on the plans and specification or the discovery was unforeseen, staff would negotiate a change order for that work with the contractor and pay a fair price for the work. Commissioner Bixler requested and received clarification from Mr. Kirkpatrick that staff believed their plans and specifications were complete and that there would be no significant discovery during the course of the construction.

Commissioner Bixler requested clarification as to whether there was any additional insurance coverage available to cover any unforeseen costs associated with the project. Port Attorney Duane Bennett stated that the issue of insurance would most likely not be available assuming resolution of a separate closed session matter related to the current discussion.

In response to Commissioner Bixler's query, Mr. McEntee confirmed that insurance could be purchased. Mr. Bennett continued by stating that staff had investigated the matter of insurance related to the entire project and not simply the bid under consideration. Staff found that such coverage was very difficult to secure, was not comprehensive, and extremely cost-prohibitive. He stated that staff determined such insurance coverage was not practical.

Commissioner Smith responded to Commissioner Bixler's concerns regarding a consideration of additional insurance coverage for the project. He explained that the performance bond requirement was common in public sector contracts and, in his professional experience, he had never experienced a failure by both the contractor and the performance bond company.

Commissioner Peters left the dais at 3:48 p.m. and returned to the dais at 3:50 p.m.

Bryan Enarson, representing the San Diego County Regional Airport Authority, addressed the Board and thanked the staff for their efforts. He stated that the Airport Authority was in support of the staff recommendation and urged the Board to move the project forward.

Chairman Valderrama confirmed that there were no other speakers present to address the Board regarding the Teledyne Ryan Site Demolition Project Phase 1 award, and no other members of the public came forward to speak.

Ms. Dennis concluded her staff report stating that all of the Phase 1 demolition was for aboveground structures and all of the elements that would be demolished and removed were currently visible. With regard to the remediation, she explained that the removal of the below-grade facilities would be addressed in a subsequent phase in the future.

Commissioner Peters noted that no representatives from Save Our Heritage Organisation (SOHO) were present, and in light of their outstanding litigation regarding the Environmental Impact Report for the project, the Commissioner interpreted their

absence as an indication that they had no objection to the District moving forward with awarding the contract. He made a motion to adopt the staff recommendation. Commissioner Smith seconded the motion.

Commissioner Burdick thanked Ms. Dennis for reviewing the questions regarding the additional indemnification included in the contract related to the recycling of the contaminated materials. Commissioner Burdick requested confirmation that the indemnification provision would protect the District in the event that contaminated materials were, either intentionally or inadvertently, discovered to have been recycled and used by some other party. Ms. Dennis stated that the District would have controls in place, have an inspector on site during the demolition, and the specifications were very clear regarding the contractor requirements of the contaminated materials in question. Port Attorney Duane Bennett stated that while the contract's language clearly states that hazardous materials could not be reused, clarifying what constitutes a hazardous material was another matter. Mr. Bennett recommended that in the event that the Board was to move approval of the item, the members also consider including, as part of the motion, direction to staff that absolutely no hazardous materials as defined by California State law, federal law, RCRA, CERCLA, etc. may be reused or recycled as a part of the project. In consideration of protecting the District, Commissioner Burdick requested clarification regarding the portion of the contract that addressed the matter of recycling, and that such recycling would be consistent with State and federal law. Mr. Bennett stated that while the portion of the contract cited did address the Commissioner's concern, he reiterated his recommendation regarding including direction to staff in the motion.

Commissioner Peters stated that he would modify his motion to include Mr. Bennett's recommendation. Commissioner Smith, as the second, accepted the modified motion.

On a motion by Commissioner Peters, seconded by Commissioner Smith, the Board adopted **Resolution 2010-10** Adopting Plans and Specifications and Awarding Contract No. 2007-25 to Miller Environmental Incorporated for Teledyne Ryan Site Demolition Project Phase 1 in the amount of \$6,984,432.30, by the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

The Board further specified that no demolition materials may be recycled or reused if they contain any substances or "hazardous materials", as defined by Contract 2007-25, Federal and State law, including applicable Federal, State, regional or local

statutes, regulations, ordinances, codes, permits, orders or published decisions related thereto.

SAN DIEGO GAS & ELECTRIC COMPANY

Agenda Item 20. Commissioner discussion ensued. For the record, Commissioner Bixler requested and received confirmation from Area Real Estate Manager Chris Hargett that during the first five years of the agreement and/or in the event that the project was completed ahead of schedule the District would not refund any rent to San Diego Gas & Electric (SDG&E). SDG&E representative Mitch Mitchell acknowledged the efforts of staff to facilitate moving forward with the project. Mr. Mitchell stated, for the record, that SDG&E was fully aware that in the event the project was finished early they would not receive a refund.

Commissioner Padilla stated his support of the item and made a motion to accept the staff recommendation without the staff presentation.

On motion of Commissioner Padilla, seconded by Commissioner Bixler, the Board adopted in a single vote **Resolution 2010-11** Authorizing Real Estate Exchange Agreement with San Diego Gas & Electric Company (SDG&E) for relocation of the South Bay Substation, and Authorization to Execute any ancillary Agreements necessary to finalize the transfer; **Resolution 2010-12** Authorizing California State Lands Commission Land Exchange Agreement in substantially similar form as the agreement attached to the Real Estate Exchange Agreement, facilitating exchange of property between the District and SDG&E; and **Ordinance 2595** Granting a Ten (10) Year Lease to SDG&E for the South Bay Substation site pending construction of a new substation, by the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

REVIEW AND CONSIDERATION OF PROPOSED BOARD AGENDA FOR MEETING OF FEBRUARY 2, 2010.

Agenda Item 21. Executive Director Charlie Wurster recommended that the Board adopt the proposed agenda with the following modification: an addition to the agenda of a presentation and direction to staff regarding the proposed Open Air Cinema Series.

On motion of Commissioner Peters, seconded by Commissioner Padilla, the Board approved the proposed Board Agenda for the Meeting of February 2, 2010, by

the following vote: Yeas-Bixler, Burdick, Cushman, Padilla, Peters, Smith, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

Port Attorney Duane Bennett announced that Celia Brewer has accepted the position as Assistant Port Attorney and will be joining the District on February 12, 2010. Mr. Bennett thanked the staff members of the Port Attorney team and acknowledged their efforts. Chairman Valderrama announced that he and Commissioner Cushman participated in the interview process and congratulated Mr. Bennett on selecting Ms. Brewer. Ms. Brewer stated that she looked forward to joining the District team and expressed her gratitude to the Board and Mr. Bennett.

OFFICER'S REPORT

Agenda Item 22. In accordance with BPC Policy No. 110, the following change orders, executed by the Executive Director, were reported:

A) Change Order No. 1 for \$4,160.52 and 0 Calendar Days to Contract No.2008-20 with Dick Miller, Inc. for Pepper Park Comfort Station Relocation, National City, California.

B) Change Order No. 7 for (\$200.00) and 16 Calendar Days to Contract No. 2008-03 with Davis & Adams Construction, Inc. for Administration Building Annex Restrooms Improvements, San Diego, California.

C) Change Order No. 1 for \$0.00 and 10 Calendar Days to Contract No. 2009-22 with John Carey Construction for Administration Building 2nd Floor, Environmental Office Remodel, San Diego, California.

D) Change Order No. 4 for \$38,469.00 and 0 Calendar Days to Contract No. 2008-27 with Jaynes Corporation of California for Broadway Pier Cruise Ship Terminal, San Diego, California.

E) Change Order No. 1 for \$2,406.00 and 0 Calendar Days to Contract No. 2008-32 with NEWest Construction Company for Imperial Beach Fishing Pier Repair, Imperial Beach, California.

PRESIDENT'S REPORT

Agenda Item 23. In light of the swearing-in luncheon, Executive Director Charlie Wurster congratulated all of the Board members and thanked them for their service. He welcomed incoming Chair Valderrama and thanked the outgoing Chair, Stephen Cushman, for his assistance during Mr. Wurster's first year at the District.

Mr. Wurster announced that Harbor Police Chief Kirk Sanfilippo had officially retired; however, he had agreed to maintain his role on a contract basis during the selection process. Mr. Wurster administered the Oath of Office to Chief Sanfilippo for his new contract period.

Chief Sanfilippo thanked the Board for their support during his tenure with the District. He also thanked Mr. Wurster, former Executive Director Bruce Hollingsworth and Vice President of Administration Wayne Darbeau.

COMMISSIONER COMMENTS

Agenda Item 24. Commissioner Burdick acknowledged the Commissioners that participated in the Big Bay Parade and congratulated District staff for a successful event.

Chairman Valderrama thanked Commissioner Cushman for his support. He also thanked the staff for their support and looked forward to the upcoming year. Chairman Valderrama announced the Board would adjourn to closed session.

CLOSED SESSION

Agenda Item 3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Pursuant to Subdivision (a) of Government Code Section 54956.9:

Save Our Heritage Organisation, Petitioner, v. SDUPD, et al., Respondents;
San Diego County Regional Airport Authority, et al., Real Parties in Interest
San Diego Superior Court No. 37-2009-00097828-CU-TT-CTL

Agenda Item 4a.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Government Code Section 54956.8

Property: District Property: Approximately 35 acres of property located within the Harbor District of the Chula Vista Bayfront. Located West of I-5, South of H Street, and North of J Street in Chula Vista, California

Pacifica Companies Property: Approximately 97 acres located within the Sweetwater District of the Chula Vista

Bayfront. Located West of I-5, South of E Street, and North of F Street in Chula Vista, California

Negotiating Parties: Ashok Israni, President, Pacifica Companies; Ellen Corey Born, Dirk Mathiasen, Paul Fanfera, Karen Weymann, Chris Hargett, SDUPD; Charles E. Black, CB Urban Development

Under Negotiation: Price and Terms

Agenda Item 4b.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Government Code Section 54956.8

Property: Former Goodrich South Campus, located West of Bay Boulevard, between H Street and J Street, in Chula Vista, California

Negotiating Parties: Goodrich Aerostructures:
Geoff Robinson, Outside Counsel; Domenic Rigoglioso, Legal Counsel; Bob George, Facilities Engineer; Rick Sciordia, Environmental Engineer

City of Chula Vista/Redevelopment Agency
of the City of Chula Vista: Denny Stone, Economic Development Manager, Eric Crockett, Redevelopment Manager

San Diego Unified Port District:
Ellen Corey Born, Dirk Mathiasen, Randa Coniglio, Paul Fanfera, Karen Weymann, Chris Hargett and Charles Black, CB Urban Development

Under Negotiation: Price and Terms

Agenda Item 4c.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR
Government Code Section 54956.8

- Property: City of Chula Vista /Redevelopment Agency of the City of Chula Vista: Approximately 5.67 acres located at 965 Lagoon Drive, Chula Vista
- District: Approximately 1.79 acres, described as Parcel H-17, in the Harbor District of the Chula Vista Bayfront Master Plan
- Negotiating Parties: Denny Stone, Economic Development Manager, Redevelopment Agency of the City of Chula Vista, and Eric Crockett, Redevelopment Manager, Community Development, City of Chula Vista; Ellen Corey Born, Dirk Mathiasen, Paul Fanfera, Karen Weymann, Chris Hargett, SDUPD; Charles E. Black, CB Urban Development
- Under Negotiation: Price and Terms

Agenda Item 4d.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to Subdivision (b)(1) of Government Code Section 54956.9:

One Case

At the 10:00 a.m. special meeting, Port Attorney Bennett announced that Commissioner Burdick had a continuing recusal motion and would not be participating in the closed session regarding items 4a, 4b, 4c and 4d.

Agenda Item 5.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Government Code Section 54956.8

- Property: Approximately 221,000 square feet of tideland area leased to Fifth Avenue Landing, LLC, and the adjacent District-owned roadway, all bayward of the San Diego Convention Center

Negotiating Parties: Carol Wallace, CEO, San Diego Convention Center Corporation; Raymond Carpenter and Arthur Engel, Managing Members, Fifth Avenue Landing LLC; Ellen Corey Born, Karen Weymann, Shahriar Afshar, SDUPD; Charles E. Black, CB Urban Development

Under Negotiation: Price and Terms

Agenda Item 6.

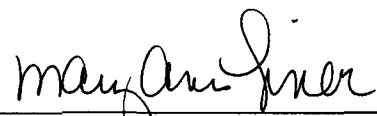
PUBLIC EMPLOYEE APPOINTMENT, PERSONNEL EVALUATION OR DISCIPLINE:
EXECUTIVE DIRECTOR AND PORT ATTORNEY

Government Code Section 54957.6

There was no other formal or reportable action, pursuant to Government Code Section 54950 et seq to report from the closed session; whereupon, Chairman Cushman adjourned the meeting.


Secretary, Board of Port Commissioners
San Diego Unified Port District

ATTEST:


Clerk of the San Diego Unified Port District