

**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 Bixler at 1:13 p.m., Tuesday, March 4, 2008, in the Board Room at 3165 Pacific Highway, San Diego, California.

**ROLL CALL**

Agenda Item 2.

Present: COMMISSIONERS Bixler, Black, Cushman, Najera, Rios, Spane, and Valderrama;  
OFFICERS Hollingsworth, Bennett, Liner and McEntee.

Absent: None.

Excused: None.

**PLEDGE OF ALLEGIANCE**

Agenda Item 1. Chairman Bixler led the Pledge of Allegiance.

**APPROVAL OF MINUTES**

Agenda Item 3. On motion of Commissioner Valderrama, seconded by Commissioner Rios, the Board approved, in a single vote, the minutes submitted for the special and regular meetings of February 12, 2008, by the following vote: Yeas-Bixler, Black, Cushman, Najera, Rios, Spane, Valderrama; Nays-None; Excused-None; Absent-None.

**PUBLIC COMMENTS**

Agenda Item 4. Councilmember Ben Hueso, City of San Diego, District 8, addressed the Board in support of working together to implement the many facets of the District's Clean Air Plan to positively impact the air quality in Barrio Logan and the other communities neighboring the marine terminals.

Chairman Bixler requested that Commissioner Rios announce, in Spanish, that the District was providing simultaneous Spanish language translation services via

wireless headsets during the March 4, 2008 regular meeting. Commissioner Rios complied with the request and translated.

Monserrat Hernandez, Environmental Health Coalition and Irma Tranquilino, Coalicion E.H.C. addressed the Board regarding the Clean Air Plan presentation from the February 12, 2008 Board of Port Commissioners meeting.

### **CONSENT AGENDA**

Commissioner Cushman requested that consent agenda item 26, Resolution Authorizing Change Order No. 1 to Contract No. 2007-15R with Romero General Construction Corporation in an amount not to exceed \$170,490.00, be pulled for clarification. Commissioner Cushman requested and received clarification from Alan Redmon, Manager, Engineering/Construction, regarding the amount of the increase.

Commissioner Valderrama requested and received confirmation from Bruce Hollingsworth, Executive Director, that staff understood the concern to carefully manage the residual cash flow funds, as they would be used for consent agenda item 7, authorizing staff to apply for approval of projects from the \$2,898,611 funds allocated to the Port of San Diego by the Department of Homeland Security (DHS) in its Fiscal Year 2008 Port Security Grant Program (PSGR8). Mr. Hollingsworth also explained that staff would return to the Board with an actual identification of the source of the funds before any expenditure is made.

On motion of Commissioner Rios, seconded by Commissioner Najera, the Board, with a single vote, adopted consent agenda items 5, 6, 7, 8, 9, 10, 11A, 11B, 11C, 11D, 12, 13, 14, 26, and Action Agenda item 23. (**Resolutions 2008-26** through and including **2008-34**; **Ordinance 2489**; **Resolution 2008-35**, through and including **2008-37**; **Resolution 2008-43 and Resolution 2008-42**) by the following vote: Yeas-Bixler, Black, Cushman, Najera, Rios, Spane, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

Chairman Bixler acknowledged the support of Senator Denise Ducheny who was represented by Jonathan Hardy, who serves on the Commercial Fisheries Committee; the support of the California Coastal Conservancy; and the expertise of the members of the commercial fishing representatives who served on the core committee; regarding consent agenda item 14, selecting and authorizing an agreement with Lisa Wise Consulting to conduct Commercial Fisheries Planning Services for Commercial Fishing Revitalization Project in an amount not to exceed \$500,000.

Agenda Item 5. **Resolution 2008-26**, Amending BPC Policy No. 371 - Records Retention Policy and Records Schedule, was adopted as part of the consent agenda.

Agenda Item 6. **Resolution 2008-27**, Authorizing Amendment No. 1 to the Purchase Agreement with The SoCo Group, Inc., to purchase gasoline and diesel fuel for the period July 1, 2007 through June 30, 2008 increasing the not to exceed amount by \$72,000, was adopted as part of the consent agenda.

Agenda Item 7. **Resolution 2008-28**, Authorizing staff to apply for approval of projects from the \$2,898,611 funds allocated to the Port of San Diego by the Department of Homeland Security (DHS) in its Fiscal Year 2008 Port Security Grant Program (PSGR8), was adopted as part of the consent agenda.

Agenda Item 8. **Resolution 2008-29**, Authorizing Acceptance of the Transportation Security Administration (TSA) Grant Award and Execution of the Cooperative Agreement/Statement of Joint Objectives for the Harbor Police Department (HPD) Explosives Detection Canine Team per BPC Policy No. 109, was adopted as part of the consent agenda.

Agenda Item 9. **Resolution 2008-30**, Authorizing a Memorandum of Understanding with the City of San Diego, City of Oceanside and the County of Orange for the Regional Harbor Monitoring Program, was adopted as part of the consent agenda.

Agenda Item 10. **Resolution 2008-31**, Appointing Terry Hall to the Public Art Committee as representative of the San Diego Port Tenants Association, was adopted as part of the consent agenda.

Agenda Item 11A. **Resolution 2008-32**, Bartell Hotels dba Casa del Mar - Approving Proposed Public Art for Bartell Hotels dba Casa del Mar, was adopted as part of the consent agenda.

Agenda Item 11B. **Resolution 2008-33**, Bartell Hotels dba Casa del Mar - Consenting to Encumbrance of Bartell Hotels dba Casa del Mar in the amount of \$12 million for the construction period, followed by a \$15.9 million take out loan in favor of Union Bank of California, was adopted as part of the consent agenda.

Agenda Item 11C. **Resolution 2008-34**, Bartell Hotels dba Casa del Mar - Consenting to Amendment No. 1 to Sublease between Bartell Hotels dba Casa del Mar and Cahuenga Associates II dba Kona Kai Marina, was adopted as part of the consent agenda.

Agenda Item 11D. **Ordinance 2489**, Granting Amendment No. 1 to Option Agreement with Bartell Hotels dba Casa Del Mar extending lease term, was adopted as part of the consent agenda.

Agenda Item 12. **Resolution 2008-35**, Establishing Proposed Rent for Driscoll Inc. dba Driscoll Boatworks for the period April 1, 2008 to March 31, 2013 and waiving 90-day notice period to exercise five-year option, was adopted as part of the consent agenda.

Agenda Item 13. **Resolution 2008-36**, Consenting to Encumbrance of Sun Harbor Marina's Leasehold Estate in the amount of \$4.2 million in favor of Allstate Life Insurance Company, was adopted as part of the consent agenda.

Agenda Item 14. **Resolution 2008-37**, Selecting and Authorizing an Agreement with Lisa Wise Consulting to conduct Commercial Fisheries Planning Services for Commercial Fishing Revitalization Project in an amount not to exceed \$500,000, was adopted as part of the consent agenda.

Agenda Item 15. **Items Continued**, Resolution Selecting and Authorizing Agreement with Halcrow, Inc. for conducting a Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) audit of the oil cargo operations at the Tenth Avenue Marine Terminal (TAMT), San Diego, California in an amount not to exceed \$535,494 for a period of twenty one months.

Agenda Item 26. **Resolution 2008-43**, Authorizing Change Order No. 1 to Contract No. 2007-15R with Romero General Construction Corporation in an amount not to exceed \$170,490.00, was adopted as part of the consent agenda.

Agenda Item 23. **Resolution 2008-42**, Adopting the Five-Year, FY 2009 – FY 2013 Capital Development Program in the amount of \$95,902,000, was adopted as part of the consent agenda.

## **PRESENTATION/ACTION AGENDA**

### **PRESENTATION OF THE DISTRICT'S EMPLOYEE OF THE QUARTER FOR THE 4<sup>TH</sup> QUARTER 2007**

Agenda Item 16. Bruce Hollingsworth, Executive Director, and Chairman Bixler announced that Glenn Batuyong, Web Developer, Communications and Community Services Department, was chosen as the District's Employee of the Quarter for the last quarter of 2007. Mr. Batuyong was recognized for taking personal initiative during the

wildfires. He reconfigured the graphic material on the District's website enabling the site to run more efficiently and ensuring public access to updated information.

The following nominees were also recognized in the staff report: William Winchell, Real Estate; Paula Rians, Financial Services; Mervin Nocum, Financial Services; Venus Soriano, Human Resources; Shelli Overton, Strategic Management Services; Brenda Gonzales, Maritime Operations & Properties and Patricia Meislik, Engineering & Construction.

### **PRESENTATION OF THE DISTRICT'S 2007 EMPLOYEE OF THE YEAR**

Agenda Item 17. Bruce Hollingsworth, Executive Director, and Chairman Bixler announced that Glenn Batuyong, Web Developer, Communications and Community Services Department, was also chosen as Employee of the Year for 2007.

### **PRESENTATION OF THE DISTRICT'S 2007 TEAM OF THE YEAR**

Agenda Item 18. Bruce Hollingsworth, Executive Director, and Chairman Bixler announced that that the General Services Marine Division Leads, Mario Garcia and Steve Moya were chosen as the District's Team of the Year for 2007. The team was recognized for their extraordinary efforts in overseeing 23 maintenance workers that completed over 5000 work orders to maintain the public tidelands for the benefit of the area residents and visitors.

The following teams were also nominated for the award: Cruise Ship Terminal Operations Team, DM5 Implementation Team, Infrastructure Management Project Team, and the Payroll Support Team.

Chairman Bixler also acknowledged the members of the Hilton Development Team for their efforts in the redevelopment of the former Campbell Shipyard site. Chairman Bixler and Mr. Hollingsworth presented each of the following team members with certificates of recognition: Christine Anderson, Mahmoud Akhavain, Paul Brown, Chris Hargett, David Merk, Darlene Nicandro, Sal Ochoa, and Karen Weymann.

### **SHELTER ISLAND MARINE SALES AND SERVICE**

**Agenda Item 19AB.** Christine Richards, Senior Asset Manager, Real Estate, addressed the Board with a staff report and presentation regarding the best and final offers for the development of the Shelter Island Marine Sales and Services Site located on Shelter Island Drive, southeast of Anchorage Lane. (A copy of the staff report and presentation are on file in the Office of the District Clerk.)

Ms. Richards introduced Joel King of W. J. King Architecture, who addressed the Board with the best and final presentation from Island Partners, LLC. Mr. King introduced Anthony Hsieh, Island Partners, LLC Manager/Officer, who concluded the Island Partners presentation.

Ms. Richards introduced David Phillips who addressed the Board with the best and final presentation from Boat House Equities, LLC. Mr. Phillips introduced Robert Bilbro of Boat House Equities, LLC.

Ms. Richards reviewed the evaluation criteria staff utilized in considering the revised proposals. Chairman Bixler requested that Ms. Richards address the concerns regarding the fairway and the impact the proposed developments may have upon the San Diego Yacht Club leasehold. Ms. Richards explained that, in regards to the marina, District staff had carefully looked at both proposals reviewing boat and slip lengths and neither proposal encroached on the San Diego Yacht Club fairway. Chairman Bixler requested clarification regarding the shoreline protection portion of the project synopsis referenced in the staff report. Ms. Richards clarified that it was the understanding of staff that Island Partners would make the shore line and planting match the adjacent revetment and Boat House Equities stated in their request for proposal that they would only be rehabilitating plant material; however during the presentation, Mr. Phillips stated they would redo the entire revetment. Mr. Phillips stated that it was their plan to rehabilitate the entire revetment and Chairman Bixler confirmed for the record that in public testimony from Mr. Phillips, he did commit to rehabilitate the revetment.

The following individual addressed the Board with varying viewpoints regarding the item: David Phillips, Boat House Equities and Richard Ledford, representing Island Partners.

Commissioner Black left the dais at 2:24 p.m. and returned at 2:26 p.m.

Chairman Bixler expressed his concern regarding the inclusion of three driveway openings in the parking lot design. Mr. Ledford acknowledged the Chairman's comments and stated his team had no objections in removing the driveway opening of concern. Chairman Bixler requested and received clarification from Bruce Hollingsworth, Executive Director, that maximum vessel lengths could be incorporated into the lease terms and failure to adhere to the terms of the lease would result in a default and that would trigger the appropriate legal remedies and actions to take place. Chairman Bixler requested clarification as to whether imposing a fine may be an appropriate violation for exceeding the maximum vessel length. Duane Bennett, Port Attorney, stated that in the context of the Chairman's question and if such a violation took place, the matter would

have to be reviewed and considered in relationship to the specific context of the lease before a determination could be recommended.

Commissioner Valderrama requested and received clarification from Ms. Richards regarding the proposers' consideration of seeking LEED (Leadership in Energy and Environmental Design) certification. Ms. Richards explained that Boat House Equities had stated their project would be LEED certified and the project check list showed they would meet 31 of the requirements. Mr. Richards confirmed that Island Partners had provided a check list that showed they would meet 33 requirements for LEED certification but had not committed to taking the next step of stating they would seek LEED certification.

Public comments continued with the following individuals addressing the Board with varying viewpoints regarding the item: John Ziebarth; Charles Been, San Diego Marlin Club; Ralph J. Konzal, San Diego Marlin Club; Tom Driscoll, Driscoll Boat Works; Wayne Terry, San Diego Yacht Club; and Harold O'Neal, Custom Marine Electronics.

Commissioner discussion ensued. Commissioner Cushman stated for the record that he was a member of the Marlin Club. Commissioner Cushman stated he would be voting in favor of the Island Partners proposal.

Chairman Bixler requested clarification regarding the level of LEED certification the project would qualify for if the developer sought such certification. Commissioner Black explained that based on the number of items indicated on the checklist the project could qualify for a Silver level certification.

Commissioner Spane requested clarification regarding why the Island Partners team would not seek LEED certification. Joel King of W. J. King Architecture addressed the question and explained that his team (Island Partners) was striving for LEED certification but could not state whether it will be at the Silver level.

Chairman Bixler requested and received a confirmation that with 31 points the Boat House Equities team was seeking Silver LEED certification.

Commissioner Black made a motion to authorize staff to enter into a 60-day Exclusive Negotiating Agreement with Island Partners, LLC.

Mr. Hollingsworth requested and received clarification regarding the motion, as to whether the motion included the removal of the driveway and limited the slip and/or vessel length as addressed during the Commissioner discussion. Chairman Bixler stated

for the record, that the proposer was asked publicly, and he acknowledged publicly, that they would address those requests during the negotiations.

Commissioner Valderrama requested clarification regarding the next steps for this project, and Mr. Hollingsworth stated that the staff would return to the Board within the 60 days and report the results of the negotiation.

On motion of Commissioner Black, seconded by Commissioner Cushman, the Board, approved **Resolution 2008-38**, Authorizing 60-day Exclusive Negotiating Agreement with Island Partners, by the following vote: Yeas-Bixler, Black, Cushman, Najera, Rios, Spane, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

#### **UPDATE ON THE ENVIRONMENTAL SUSTAINABILITY PROGRAM**

Agenda Item 20. Michelle White, Senior Environmental Specialist, Environmental Services, addressed the Board with a presentation and a status report on the Environmental Sustainability Program. (A copy of the staff report and presentation are on file in the Office of the District Clerk.)

Commissioner Cushman left the dais at 2:51 p.m. and returned at 2:52 p.m.

Commissioner discussion ensued. Commissioner Valderrama requested and staff acknowledged they would provide the Board and representatives from the Environmental Health Coalition with a list of the 22 projects referenced in the staff presentation. (A copy of the list is on file in the Office of the District Clerk.)

Laura Hunter, Environmental Health Coalition, addressed the Board to encourage "kick starting" the District's Environmental Sustainability Program.

Commissioner Spane acknowledged that determining goals and projects were a good first step and encouraged the development of a means to also encourage the District's tenants to implement the goals. Commissioner Spane requested and received clarification regarding the proposed Steering Committee membership, and how that committee would work with the Environmental Committee. Ms. White explained the proposed Steering Committee would be comprised of staff representatives from key management areas throughout the District. Ms. White further explained that while the details were not finalized, staff had also considered collaborating with key stakeholders as well as establishing a subcommittee associated with the Environmental Committee. Commissioner Spane encouraged involving all stakeholders when developing sustainability goals and programs.

Commissioner Black explained that the Environmental Sustainability Program is being assessed for implementation internally within all areas of District operations and there are many ways to roll out the information to Port tenants to implement the plan to the community at large before mandatory regulations are adopted. Commissioner Black encouraged outreach to the community to gain their insight into the program.

Commissioner Cushman concurred that the Sustainability Program should be implemented internally first, and then the District may reach out as a role model to the community and encourage tenants to adopt their own company sustainability program and goals. Commissioner Cushman confirmed with David Merk, Director, Environmental Services, that staff is working with SDG&E and will be returning to the Board with a Memorandum of Understanding.

Commissioner Najera encouraged the participation of all stakeholders in the public process and welcomed the families from all communities touched by the District to attend the Board meetings and share their comments. Commissioner Najera requested that staff move forward with the Environmental Sustainability Program and also requested that Mr. Merk address two points raised by representatives from the Environmental Health Coalition. Mr. Merk addressed sustainable energy and green building standards. Commissioner Najera explained that he also supported moving forward with sustainable energy, clean air standards, and green building standards for internal District implementation.

Bruce Hollingsworth, Executive Director, explained that regarding timelines, he had directed staff to determine the costs of implementing the Environmental Sustainability Program and the Clean Air Program. He further explained that staff would be providing clear data to the Board to assist in fully understanding the resource requirements that will be committed to implement the various programs. Mr. Hollingsworth explained that those reports would identify the sources of revenue that would be required to implement the various programs and staff would prepare a cost benefit analysis for the programs.

Commissioner Rios requested that prompt consideration be given to implementing the proposed water use saving component of the Environmental Sustainability Program within the Administration building.

Chairman Bixler encouraged the District become a green port and expressed his support in partnering with stakeholders to encourage them to also incorporate the implementation of environmentally friendly programs with development proposals.

Commissioner Valderrama requested and Mr. Hollingsworth confirmed that staff would provide a timeline in the Board information packets to track the implementation of the 22 proposed projects.

Commissioner Cushman explained that he supported beginning the Maritime projects included on the list in timely fashion.

Commissioner Black left the dais at 3:32 p.m. and returned at 3:35 p.m.

## **ACTION AGENDA**

### **CLEAN AIR PROGRAM**

Agenda Item 21ABC. Michelle White, Senior Environmental Specialist, Environmental Services, addressed the Board with a presentation on the Draft Clean Air Program, including the development of a truck program, and requested direction to staff. Ms. White introduced Dr. Julia Lester, Senior Manager at Environ International, who has been assisting District staff with the development of the Clean Air Program. Ms. White commented that Dr. Lester was available to address any technical matters. (A copy of the staff report and presentation are on file in the Office of the District Clerk.)

Commissioner Rios and Commissioner Cushman left the dais at 3:36 p.m. and Commissioner Rios and Commissioner Cushman returned to the dais at 3:46 p.m.

Commissioner discussion ensued. Chairman Bixler expressed his concern regarding the life span of the trucks that may be retrofitted or replaced under the program proposed in the staff recommendation, and also raised concerns regarding the long term costs that may be associated with this type of emission control program. Ms. White explained the truck retrofit program is a complex matter and if the District applied for and used Proposition 1B funding; there would be a four year contractual commitment for truck retrofit, and an eight year contractual commitment for truck replacement. Ms. White explained the truck emission regulations continue to ramp up and become more and more stringent and the truck program is an ongoing commitment.

Bruce Hollingsworth, Executive Director, explained that staff has anticipated that, as the regulations develop; the responsibility will be with the trucking industry owners and operators to meet the compliance standards.

Commissioner Black explained that under State Assembly Bill 32 all trucks will be mandated to comply by 2015.

Commissioner Spane requested and received clarification regarding the number of cruise ships that currently dock at the terminals that have cold ironing capabilities. Rita Vandergaw, Director, Marketing, explained that of the 20 ships, approximately four, have that capability. Commissioner Spane requested several examples of alternative technologies to cold ironing that may be employed at the National City Marine terminal. Ms. White explained that one consideration was a filter type device that fits over the ship's stack to filter the emissions, and another is a sea water scrubbing system designed to significantly reduce the emissions. Chairman Spane requested and received clarification regarding the impact on the region's emission levels if the programs under consideration were fully implemented. Ms. White explained that shore power could reduce emissions by 85% to 90% while the ship is at berth.

Commissioner Cushman requested and received confirmation from Ms. White that, based on both the 2006 Air Inventory Report and the list of pollutants reviewed by staff, it was estimated that the District's impact to the overall region was approximately 1% of the total pollutants generated in the region.

Commissioner Cushman requested and received clarification from Ms. White regarding the uses for the Capital Development Program (CDP) funds committed to cold ironing. Ms. White explained the funds could be used to apply for and receive additional matching grants. Commissioner Cushman encouraged staff to return with specific opportunities for matching funds to address the implementation of cold ironing. Commissioner Cushman requested that staff explore ways to address the speed of vessels and implement voluntary speed limit compliance. Commissioner Cushman suggested that the implementation of a mandatory speed zone in the inner and outer harbor could impact the emissions from all the vessels in the bay.

Chairman Bixler requested and received confirmation from Ms. White that the first state regulatory deadline is December 31, 2009 for port drayage trucks aged 1994 to 2006, and those vehicles will be required to be retrofitted with a diesel particulate filter. Mr. Hollingsworth explained that implementing the truck retrofit program ahead of the mandated regulation opened opportunities for grant funding and if the District encouraged early voluntary participation, this may more quickly benefit the neighborhoods near the terminals.

The following individuals addressed the Board with varying viewpoints regarding this item: Chuck Spagnola, San Diego Air Pollution Control District; Jose Medina,

National City – Old Town Neighborhood Council; Diane Takvorian, Environmental Health Coalition; Maria Martinez, Environmental Health Coalition; Tony LoPresti, Environmental Health Coalition; Joy Williams, Environmental Health Coalition; Patti Krebs, Industrial Environmental Association; Lee Wilson, San Diego Ship Repair Association; Sharon Cloward, San Diego Port Tenants Association.

Commissioner Cushman left the dais at 3:52 p.m. and returned to the dais at 3:54 p.m.

Commissioner discussion resumed. Chairman Bixler requested and received clarification regarding the specific timeline for truck compliance. Ms. White explained that by December 31, 2009 the trucks with engine ages between 1994 and 2006 will require a \$10,000 retrofit to install a diesel particulate filter, and by December 31, 2013 all trucks will be required to meet the 2007 emission standards. Chairman Bixler discussed the cost benefit of allocating District funds to a program that will become mandated in the near future.

Commissioner Black explained that the Proposition 1B matching grants are designed to be incentives for ports to invest their local funds to assist the trucking companies implement the program ahead of the regulatory deadline thus impacting the community's air quality sooner.

Ms. White further clarified that the emission benefit of the retrofit would extend through the life of the truck.

Commissioner Valderrama stated that a retrofit was more cost effective than other replacement alternatives. Commissioner Valderrama supported moving forward with the program to provide a more immediate benefit to the community members. Commissioner Valderrama supported implementing a voluntary program and that the District provides incentives to the trucking companies to retrofit their vehicles ahead of the December 31, 2009 deadline.

Commissioner Spane suggested that the Board adopt the staff recommendation.

Commissioner Najera requested and received clarification regarding the filter technology. Dr. Lester responded that under the regulation, and to qualify for the Proposition 1B funding, the filters have to meet the Air Quality Resources Board certified Level 3 Vehicle Emission Control System standards and must have a 10 year or greater life span. Dr. Lester also explained that the filter must operate at a standard level of performance and also has maintenance requirements.

Mr. Hollingsworth noted that if the Board accepts the staff recommendation, there was enough time available for staff to return to the Board with a more compressive cost benefit analysis before any awarded grant monies would be accepted.

Commissioner Spane made a motion, seconded by Commissioner Cushman, to accept the staff recommendation on items 21ABC and requested the staff return with an analytical discussion of the cost and benefits of their actions.

On motion of Commissioner Spane, seconded by Commissioner Cushman, the Board with a single vote, approved **Resolution 2008-39** Authorizing staff to submit FY 07/08 Proposition 1B Goods Movement Emission Reduction Program grant application to the California Air Resources Board and Authorizing the Port to provide a 1:1 match in support of its grant request and **Resolution 2008-40** Authorizing staff to submit FY 07/08 Carl Moyer grant application to the San Diego Air Pollution Control District, by the following vote: Yeas-Bixler, Black, Cushman, Najera, Rios, Spane, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

#### **RESOLUTION AUTHORIZING MARKETING SPONSORSHIPS FOR THE FOLLOWING ORGANIZATIONS TO CONDUCT SPECIAL EVENTS SCHEDULED FOR MAY 2008**

Agenda Item 22AB. On motion of Commissioner Spane, seconded by Commissioner Cushman, the Board, approved **Resolution 2008-41**, Authorizing Marketing Sponsorships for the following two organizations to conduct special events scheduled for May 2008: 1) San Diego Fleet Week Foundation in amounts not to exceed \$100,000 in funding and \$25,000 in District Services in support of the Annual Port of San Diego Sea and Air Parade and 2) San Diego International Sports Council in amounts not to exceed \$25,000 in funding and \$150,000 in District Services in Support of a Red Bull Air Race Series 2008 Event, by the following vote: Yeas-Bixler, Cushman, Rios, Spane, Valderrama; Nays-Black; Excused-None; Absent-None; Abstained-None.

**REVIEW AND CONSIDERATION OF PROPOSED BOARD AGENDA FOR MEETING OF APRIL 8, 2008**

Agenda Item 24. On motion of Commissioner Spane, seconded by Commissioner Rios, the Board approved the placement of the proposed agenda of April 8, 2008, by the following vote: Yeas-Bixler, Black, Cushman, Rios, Spane, Valderrama; Nays-None; Excused-None; Absent-None; Abstained-None.

**PRELIMINARY PROJECT REVIEW FOR HOST HOTELS & RESORT DBA CORONADO ISLAND MARRIOTT RESORT'S PROPOSED NEW SPA AND HOTEL RENOVATION AND DIRECTION TO INITIATE ENVIRONMENTAL REVIEW PROCESS**

Agenda Item 25. Chairman Bixler announced the items would be continued to a future Board meeting.

**PRESENTATION/ACTION AGENDA**

**DISCUSSION AND DIRECTION TO STAFF CONCERNING BPC POLICY NO. 115, GUIDELINES FOR PRUDENT INVESTMENTS**

Agenda Item 27. Chairman Bixler reported that the Audit Committee met with Jeff McEntee, CFO/Treasurer, and received clarification regarding BPC Policy No. 115: Guidelines for Prudent Investments. Chairman Bixler requested that Mr. Hollingsworth return with a report for the Board members consideration regarding changing the maximum allowable percentage of certain types of investments as authorized by government code 53600, and segmenting the District's investment portfolio into two distinct parts called Portfolio A and Portfolio B. Chairman Bixler further explained that some of the funds are earmarked for operating, and some of the funds are in longer term reserves, and the Audit Committee recommended developing a strategy guiding the investment of each portfolio, and benchmarking the District's performance of each portfolio by utilizing readily available indices that matched the District's risk and return profile.

## **OFFICER'S REPORT**

Agenda Item 28. In accordance with BPC Policy 110, the following change orders, executed by the Executive Director, were reported:

- a) Change Order No. 7 for \$0.00 and 59 Calendar Days to Contract No. 2005-16R with Chula Vista Electric Co. for Intrusion Detection System Tenth Avenue Marine Terminal, San Diego, California.
- b) Change Order No. 1 for \$5,163.00 and 42 Calendar Days to Contract No. 2007-27 with Hobbs Electric for Harbor Police Headquarters Electrical System Upgrade, San Diego, California.
- c) Change Order No. 1 for \$17,758.00 and 4 Calendar Days to Contract No. 2006-20 with Hazard Construction Company for Shelter Island Drive Pavement Repairs, San Diego, California.
- d) Change Order No. 32 for \$51,257.00 and 0 Calendar Days to Contract No. 2005-20 with Reyes Construction, Inc. for Former Navy Pier Rehabilitation, San Diego, California.
- e) Change Order No. 4 for \$0.00 and 21 Calendar Days to Contract No. 2006-13 with 3D Enterprises, Inc. for Cannery Worker Tribute, San Diego, California.
- f) Change Order No. 24 for \$109,795.98 and 0 Calendar Days to Contract No. 2004-21 with Traylor Bros., Inc. dba Traylor Pacific for Sediment Remediation and Aquatic Enhancement, Former Campbell Shipyard Site, San Diego, California.
- g) Change Order No. 26 for (\$1,040,084.34) and 0 Calendar Days to Contract No. 2004-21 with Traylor Bros., Inc. dba Traylor Pacific for Sediment Remediation and Aquatic Enhancement, Former Campbell Shipyard Site, San Diego, California.

## **PRESIDENT'S REPORT**

Agenda Item 29. None.

## **BOARD COMMITTEE REPORTS**

Agenda Item 30. None.

## **COMMISSIONER COMMENTS**

Agenda Item 31. Chairman Bixler requested that staff return to the Board with information regarding the use of interpreters at the Board of Port Commissioner meetings.

Chairman Bixler announced the Board would reconvene in Closed Session.

**CLOSED SESSION**

Agenda Item 3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

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

SLPR, LLC, et al. v. SDUPD, et al.

United States District Court, Southern District of California

No. 06 CV 1327 W (POR)

Agenda Item 4.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Government Code Section 54956.8

Property: Approximately 30 Acres West of Marina Parkway and South of G Street, Chula Vista

Negotiating Parties: Bennett Westbrook, Gaylord Entertainment  
Randa Coniglio, SDUPD

Under Negotiation: Price and Terms

Agenda Item 5.

CONFERENCE WITH REAL PROPERTY NEGOTIATOR

Government Code Section 54956.8

Property: Old Police Headquarters located at the southeast corner of Pacific Highway and Harbor Drive, and Seaport Village, 849 W. Harbor Drive, San Diego

Negotiating Parties: Bruce Walton, Seaport Village Operating Co., LLC, by its Managing Member, Terramar Retail Centers, LLC  
Karen Weymann, SDUPD

Under Negotiation: Price and Terms

Agenda Item 6.

WITH LEGAL COUNSEL - EXISTING LITIGATION

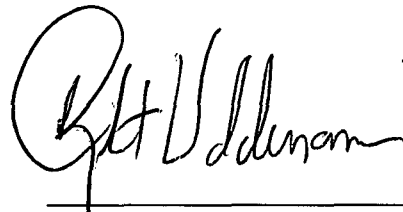
Pursuant to Subdivision (a) of Government Code Section 54956.9

Furgatch v. SDUPD, et al.

San Diego Superior Court No. GIC 775242 and GIC 784923

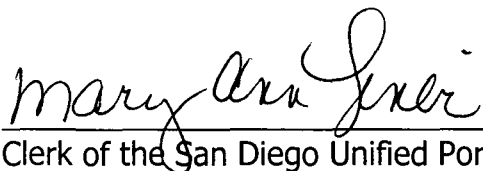
There was no formal or reportable action, pursuant to Government Code Section 54950 et seq to report from the Closed Session.

At the conclusion of the Closed Session Chairman Bixler adjourned the meeting.



Secretary, Board of Port Commissioners  
San Diego Unified Port District

ATTEST:



Clerk of the San Diego Unified Port District