

AMENDED IN ASSEMBLY JULY 2, 2002

AMENDED IN SENATE MAY 15, 2002

AMENDED IN SENATE APRIL 29, 2002

AMENDED IN SENATE APRIL 17, 2002

SENATE BILL

No. 1896

Introduced by Senator Peace

February 22, 2002

An act to amend Sections 170004, 170010, 170012, 170016, 170018, *170024*, 170026, 170038, 170048, 170052, 170056, 170058, 170062, 170064, 170068, 170070, 170072, 170076, 170078, 170082, and 170084 of, to repeal Sections 170058.5, 170059, and 170080 of, and to repeal and add Sections 170060 and 170066 of, the Public Utilities Code, relating to airports, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 1896, as amended, Peace. San Diego County Regional Airport Authority.

(1) Existing law establishes the San Diego County Regional Airport Authority as a local entity of regional government with jurisdiction throughout the County of San Diego, and requires that the authority ~~to~~ adopt a comprehensive airport land use plan for that county and coordinate the airport planning of public agencies. Existing law requires the authority to study and plan any improvements, expansions, or enhancements for the regional airport system in San Diego County. Existing law provides a structure of the authority, requires the San Diego Unified Port District (port) to transfer the San Diego

International Airport to the authority on December 2, 2002, assigns various powers and duties to the authority regarding the establishment and operation of airports within the county, including the requirement that the authority assume trusteeship of airport lands and exercise the power to issue bonds with interest thereon being tax free. Existing law provides for a transition plan *and provides for an interim executive director until January 6, 2003*. Existing law authorizes the authority to issue revenue bonds in accordance with existing statutes.

This bill would substantially revise the duties of the authority including, but not limited to, requiring the authority to implement, as well as study and plan, any improvements, expansions, or enhancements at existing and future airports under its jurisdiction. *The bill would extend the term of office of the interim executive director until January 6, 2004, or until the time that a permanent executive director is appointed, whichever occurs first.* The bill would also require the authority to adopt a comprehensive plan on the future of San Diego's regional international airport and the authority would be required to submit the particular airport site recommendation in the form of a local ballot proposition to the San Diego County Registrar of Voters for placement on *either* the November 2, 2004, *or the November 7, 2006*, countywide election ballot.

The bill would recast the provisions governing the transfer of real and personal property by the port to the authority including specifically described real properties that are not to be transferred and specifically described real properties that are to be transferred.

The bill would require the port, rather than the authority, to retain trusteeship of the lands underlying the airport, consistent with the State Lands Commission's requirement and would require the port to execute a described 66-year lease with the authority. The bill would require the transfer of the San Diego International Airport to be completed on or after December 16, 2002, rather than on December 2, 2002, subject to specific terms of transfer including, among other things, the services of port employees, including the Harbor Police. *The bill would provide for the lead agency status with regard to the California Environmental Quality Act during the transfer period and would provide for the transfer from the port to the authority of a noise variance issued by the Department of Transportation.*

The bill would require the port to fund the authority *from airport operation revenues* for not less than \$1,000,000 each year until that time



that the transfer of the airport and assorted revenue sources have been completed.

The bill would recast the provisions governing the issuance of revenue bonds by the authority, including refunding bonds.

The bill would delete the tax-exempt interest provisions and would prohibit any other agency from applying for grants for funding airport facilities in San Diego County unless the application is first approved by the authority.

The bill would prohibit an employee of the port from suffering loss of employment or reduction in wages or benefits as a result of the enactment of the San Diego County Regional Airport Authority Act. *The bill would permit employees of the authority to be eligible for retirement benefits under the California Public Employees' Retirement System, and, where permitted by the law governing that system, to receive full reciprocity with public employees' retirement systems in which they previously participated.*

The bill would make technical, conforming changes.

To the extent that additional duties would be placed upon the authority, the port district, and other entities of local government, the bill would impose a state-mandated local program.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

(3) The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



The people of the State of California do enact as follows:

1 SECTION 1. Section 170004 of the Public Utilities Code is
2 amended to read:

3 170004. The Legislature hereby finds and declares all of the
4 following:

5 (a) The population in San Diego County is forecasted to grow
6 to 4.1 million persons by 2030, a 45-percent increase over its
7 population in 2000. In light of this growth, it is incumbent upon
8 the region to take actions to provide for an economy that will
9 maximize employment opportunities and help to ensure a higher
10 quality of life for all its residents.

11 (b) The globally competitive, export-oriented electronics,
12 communications, and biotechnology industries of San Diego
13 County already employ over 300,000 persons, nearly a third of the
14 local labor force, and will continue to drive the region's economy
15 as it competes in the expanding national and international markets.

16 (c) Air transportation will be an important factor in fostering
17 continued economic growth in San Diego County, as technology
18 workers travel by air 40 percent more frequently than workers in
19 other sectors of the economy.

20 (d) According to the Joint Aviation Advisory Committee
21 established by the San Diego Association of Governments and the
22 San Diego Unified Port District, San Diego International Airport
23 today contributes about \$4.3 billion to the San Diego regional
24 economy, which is about 4 percent of the total output of the
25 region's economy. With the demand for air travel expected to more
26 than double to 35 million passengers in 2030, an airport capable
27 of supporting that demand would contribute up to \$8 billion to the
28 regional economy. Failure to increase San Diego's regional airport
29 capacity would result in 56,000 fewer jobs and up to \$2.5 billion
30 less in personal income by 2030. More than 50 percent of the
31 reduction in jobs would occur in the industries related to air
32 exports, including the high-technology industries that
33 manufacture machinery, electronic equipment, and instruments.
34 The balance of the impact would be in the visitor-related
35 industries.

36 (e) The San Diego Regional Government Efficiency
37 Commission was established under Chapter 764 of the Statutes of
38 2000 to evaluate regional governance in San Diego County and to



1 submit a report to the Legislature for improving regional
2 governance. To facilitate its purpose, that commission formed a
3 Port Working Group, a Governance Working Group, a
4 Transportation Working Group, and an Environmental and Land
5 Use Working Group to examine regional governance in the region
6 and to propose options for its improvement. The Port Working
7 Group studied the role and function of the San Diego Unified Port
8 District and in collaboration with the Transportation Working
9 Group created a special joint committee to examine airport
10 development issues in the region. After reviewing the options
11 developed by the joint committee, the commission has
12 recommended to the Legislature, by resolution adopted on July 6,
13 2001, that a new airport authority be created by statute in San
14 Diego County.

15 (f) Because of the significant regional consequences of airport
16 development and operations, it is important that the future
17 development of major airport facilities in San Diego County be
18 addressed in the context of a regional decisionmaking process that
19 has regional representation.

20 (g) In an effort to assure the continued military readiness of the
21 United States Department of Defense (DOD), comprehensive
22 airport planning must consider and protect military airspace needs
23 in the San Diego region. The activities of the DOD in the San
24 Diego region require mission-essential airspace for training and
25 operations. In addition, the DOD has direct economic
26 expenditures in San Diego County of nearly \$10 billion annually,
27 and represents over 376,000 residents of the region. For these
28 reasons, the DOD is a major stakeholder in the region's
29 comprehensive plans for a viable airport solution.

30 SEC. 2. Section 170010 of the Public Utilities Code is
31 amended to read:

32 170010. The interim executive director of the authority shall
33 be that person who is the Senior Director of Aviation of the port
34 on September 1, 2001. The interim executive director shall
35 undertake all regular and necessary measures and decisions for the
36 efficient operation of the authority until January 6, ~~2003~~ 2004, *or*
37 *until the time that a permanent executive director is appointed,*
38 *whichever occurs first.*

39 SEC. 3. Section 170012 of the Public Utilities Code is
40 amended to read:



1 170012. (a) There shall be an interim board of the authority
2 to advise the interim executive director, to prepare and adopt the
3 transition plan required under Section 170062, and to oversee the
4 activities required pursuant to subdivisions (c), (d), (e), and (f) of
5 Section 170048.

6 (b) The interim board shall be chaired by the interim executive
7 director.

8 (c) The interim executive director shall appoint five members
9 to the interim board. The members shall be geographically
10 representative of San Diego County and shall be serving as elected
11 officials of, appointees to, or representatives of local, state, or
12 federal governmental agencies or bodies, at the time of their
13 respective appointment.

14 (d) The first meeting of the interim board shall be on January
15 7, 2002, at a time and location to be determined by the chair.
16 Thereafter, the chair shall hold monthly public meetings of the
17 interim board.

18 (e) The interim board shall be dissolved on December 2, 2002.

19 SEC. 4. Section 170016 of the Public Utilities Code is
20 amended to read:

21 170016. (a) The permanent board shall be established
22 pursuant to this section. The board shall consist of nine members,
23 with three members serving in an executive committee.

24 (b) The following three members shall comprise the executive
25 committee.

26 (1) A member of the public who shall be appointed by the
27 Board of Supervisors of the County of San Diego and shall be a
28 resident of an unincorporated area of the county. The initial term
29 for this member shall be two years.

30 (2) A member of the public, appointed by the Governor and
31 confirmed by the Senate, who shall reside in the County of San
32 Diego, but not within the City of San Diego. The initial term for
33 this member, upon confirmation by the Senate, shall be six years.

34 (3) A member the public who shall be appointed by the Mayor
35 of the City of San Diego and shall be confirmed by a majority vote
36 of the San Diego City Council. The initial term for this member
37 shall be four years.

38 (c) The remaining six members of the board shall be as follows:

39 (1) The Mayor of the City of San Diego, or a member of the city
40 council designated by the mayor to be his or her alternate.



1 (2) A member of the public appointed by the Mayor of the City
2 of San Diego. The initial term for this member shall be two years.

3 (3) The mayor of the most populous city, as of the most recent
4 decennial census, among the north area cities. If that mayor
5 declines to serve, he or she shall appoint a member of the public
6 who is a resident of one of north area cities. The initial term for this
7 member shall be two years.

8 (4) (A) If the member serving under paragraph (3) is a mayor,
9 then a member of the public shall be selected by the mayors of the
10 north area cities from one of those cities, excluding the most
11 populous city.

12 (B) If the person serving under paragraph (3) is not a mayor,
13 then the mayors of the north area cities shall select a mayor or
14 council member of a north area city, excluding the most populous
15 city, to serve as the member.

16 (C) The initial term for this member shall be four years.

17 (5) The mayor of the most populous city, as of the most recent
18 decennial census, among the south area cities. If that mayor
19 declines to serve, he or she shall appoint a member of the public
20 who is a resident of one of south area cities. The initial term for this
21 member shall be six years.

22 (6) (A) If the member serving under paragraph (5) is a mayor,
23 then a member of the public shall be selected by the mayors of the
24 south area cities from one of those cities, excluding the most
25 populous city.

26 (B) If the person serving under paragraph (5) is not a mayor,
27 then the mayors of the south area cities shall select a mayor or
28 council member of a south area city, excluding the most populous
29 city, to serve as the member.

30 (C) The initial term for this member shall be four years.

31 (d) The initial chair shall be the person appointed to the board
32 pursuant to paragraph (2) of subdivision (b). Thereafter, the
33 executive committee shall appoint the chair, who shall serve for a
34 two-year portion of his or her term as a board member, upon
35 confirmation of the full board. A chair may be appointed to
36 consecutive terms, subject to confirmation of the full board.

37 (e) (1) Members of the first board shall be appointed on or
38 before October 31, 2002, and shall be seated as the board on
39 December 2, 2002.



1 (2) Any appointment not filled by the respective appointing
2 authority on or before December 1, 2002, shall be appointed by the
3 Governor, consistent with the eligibility requirements of this
4 section for that membership position.

5 (f) (1) After the initial term, all terms shall be four years,
6 except as otherwise required under subdivision (b) of Section
7 170018.

8 (2) The expiration date of the term of office shall be the first
9 Monday in December in the year in which the term is to expire.

10 SEC. 5. Section 170018 of the Public Utilities Code is
11 amended to read:

12 170018. (a) The appointing authority for a member whose
13 term has expired shall appoint that member's successor for a full
14 term of four years.

15 (b) The membership of any member serving on the board as a
16 result of holding another public office shall terminate when the
17 member ceases holding the other public office.

18 (c) Any vacancy in the membership of the board shall be filled
19 for the expired term by a person selected by the respective
20 appointing authority for that position.

21 SEC. 6. *Section 170024 of the Public Utilities Code is*
22 *amended to read:*

23 170024. (a) Except for the members of the executive
24 committee, members shall be paid one hundred dollars (\$100) per
25 regular, special, or committee meetings, for not more than four
26 meetings per month.

27 (b) Members of the executive committee shall receive a salary
28 equal to the salary of superior court judge in the County of San
29 Diego.

30 (c) *Members of the board* may be paid for direct out-of-pocket
31 expenses.

32 (d) The board shall adopt a compensation, *benefits*, and
33 reimbursement policy within three months of being constituted.

34 (e) *Employees of the authority are eligible for retirement*
35 *benefits under the California Public Employees' Retirement*
36 *System (CalPERS), and where permitted by the law governing that*
37 *system, shall receive full reciprocity with public employees'*
38 *retirement systems in which they previously participated.*

39 SEC. 6.2. Section 170026 of the Public Utilities Code is
40 amended to read:



1 170026. (a) The executive committee shall appoint the
2 following officers of the authority, subject to confirmation of the
3 board:

- 4 (1) Executive Director.
- 5 (2) General Counsel.
- 6 (3) Auditor.

7 (b) The executive director shall appoint all other officers and
8 employees, including, but not limited to, the deputy executive
9 director.

10 SEC. 7. Section 170038 of the Public Utilities Code is
11 amended to read:

12 170038. The authority may take by grant, purchase, devise, or
13 lease or otherwise acquire, hold, enjoy, lease, and dispose of, real
14 and personal property within or outside its area of jurisdiction in
15 order to further its purposes.

16 SEC. 8. Section 170048 of the Public Utilities Code is
17 amended to read:

18 170048. (a) The authority shall have the exclusive
19 responsibility within its area of its jurisdiction to study, plan, and
20 implement any improvements, expansion, or enhancements at
21 existing or future airports within its control.

22 (b) The authority may commission planning, engineering,
23 economic, and other studies to provide information to the board for
24 making decisions about the location, design, management, and
25 other features of future airports.

26 (c) The San Diego Association of Governments, or its
27 successor, shall cooperate with the authority to include all airport
28 system plans and facilities selected by the authority in the regional
29 transportation plan consistent with state and federal law.

30 (d) (1) Not later than March 1, 2002, the San Diego
31 Association of Governments and the port shall transfer and assign
32 to the authority all contracts in force for studying possible sites for
33 an airport, the economic viability and impact of an airport, the
34 environmental consequences of an airport, public opinion or
35 attitudes regarding an airport's location, and any other contracts
36 related to the location and development of an airport in the County
37 of San Diego.

38 (2) The contracts described in paragraph (1) shall include, but
39 need not be limited to, the contracts associated with the Joint
40 Aviation Advisory Committee.



1 (3) The transfer of contracts required under this subdivision
2 shall include the contemporaneous transfer of revenue from state
3 or federal grants, local funds, and other sources of revenue
4 committed to funding the contracts until their completion. The
5 authority shall accept all obligations, as well as all rights, included
6 in the transferred contracts.

7 (e) The policy direction for the study described in subdivision
8 (d) shall become the responsibility of the authority. The authority
9 shall consider the concepts and ideas of the San Diego Association
10 of Governments, the port, and other entities, both public and
11 private.

12 (f) The authority may continue the Joint Aviation Advisory
13 Committee to assist in conducting the analyses for determining a
14 site for a new airport.

15 (g) The authority, the San Diego Association of Governments,
16 local agencies, and the Department of Transportation shall
17 cooperate to develop effective surface transportation access to new
18 and existing airports.

19 (h) The authority shall adopt a comprehensive plan on the
20 future development of San Diego's regional international airport.
21 In developing its plan, the authority shall review all options of
22 alternative sites, including, but not limited to, expansion of the
23 existing airport site, use of current military installations that may
24 become available for civilian or mix-use, and other development
25 options available to address future airport needs. The authority
26 shall submit the particular site recommendation in the form of a
27 local ballot proposition to the San Diego County Registrar of
28 Voters for placement on *either* the November 2, 2004, *or the*
29 *November 7, 2006*, countywide election ballot.

30 SEC. 9. Section 170052 of the Public Utilities Code is
31 amended to read:

32 170052. The authority shall be responsible for developing all
33 aspects of airport facilities that it operates, including, but not
34 limited to, all of the following:

35 (a) The location of terminals, hangars, aids to air navigation,
36 Runway Protection Zones (RPZ), Airport Influence Areas (AIA),
37 parking lots and structures, and all other facilities and services
38 necessary to serve passengers and other customers of the airport.



1 (b) Street and highway access and egress with the objective of
2 minimizing, to the extent practicable, traffic congestion on access
3 routes in the vicinity of the airport.

4 (c) Providing for public mass transportation access in
5 cooperation and coordination with the responsible public
6 transportation agency in whose jurisdiction the airport is located.

7 (d) Analyzing and developing intercity bus and passenger rail
8 access to terminals in cooperation with an established agency or
9 organization experienced in developing and operating that service,
10 if the service or the technology proposed for implementation is
11 demonstrated to be in regular, scheduled revenue service and is
12 demonstrated to be a cost-effective investment when considering
13 both direct and indirect benefits. If that service is proven feasible,
14 the authority shall endeavor to maximize the convenience of its
15 patrons by incorporating the service into the design of its
16 terminals.

17 SEC. 10. Section 170056 of the Public Utilities Code is
18 amended to read:

19 170056. The port shall transfer all title and ownership of the
20 San Diego International Airport to the authority consistent with
21 the terms of the transfer under Section 170060 and the transition
22 plan required under Section 170062 and shall include, but need not
23 be limited to, all of the following:

24 (a) All interest in real property and improvements, including,
25 but not limited to, all terminals, runways, taxiways, aprons,
26 hangars, Runway Protection Zones (RPZ), Airport Influence
27 Areas (AIA), emergency vehicles or facilities, parking facilities
28 for passengers and employees, above and below ground utility
29 lines and connections, easements, rights-of-way, other rights for
30 the use of property necessary or convenient to the use of airport
31 properties, and buildings and facilities used to operate, maintain,
32 and manage the airport which is consistent with the Airport Layout
33 Plan (ALP) dated September 13, 2000, and identified as Drawing
34 No. 724 on file with the clerk of the port, subject to paragraphs (1),
35 (2), and (3).

36 (1) The following real properties shall not be transferred and
37 shall remain under the ownership and control of the port:

38 (A) All property originally leased to General Dynamics
39 Corporation and identified in Document No. 12301 on file with the
40 clerk of the port.



1 (B) Property subleased by the port from TDY Industries, Inc.,
2 c/o Allegheny Teledyne (formerly Teledyne Ryan Aeronautical)
3 and identified as Document No. 17600 on file with the clerk of the
4 port.

5 (C) Property leased to Solar Turbines, Incorporated for parking
6 along Pacific Highway and identified as Document No. 39904 on
7 file with the clerk of the port (Parcel No. 016-026).

8 (D) Property leased to Solar Turbines, Incorporated, for
9 parking along Laurel Street and identified as Document No. 29239
10 on file with the clerk of the port (Parcel No. 016-016 - Parcel 2).

11 (E) Property leased to Sky Chefs, Incorporated, located at 2450
12 Winship Lane and identified as Document No. 37740 on file with
13 the clerk of the port (Parcel No. 012-025).

14 (F) (i) Property located at Parcel No. 034-002 and identified
15 as Pond 20. The port shall retain ownership of Pond 20 and shall
16 reimburse the airport fund for the fair market value of that
17 property. The fair market value shall be determined by appraisal
18 and negotiation. If there is no agreement following that
19 negotiation, then the amount ~~and terms~~ of payment shall be
20 determined by arbitration.

21 (ii) *On January 1, 2003, the port shall commence repayment to*
22 *the airport of the negotiated or arbitrated fair market value for the*
23 *property. The repayment schedule shall be a 10-year amortized*
24 *payment plan with interest based upon the rate of 1 percent above*
25 *the prevailing prime rate.*

26 (2) The following additional real properties shall be transferred
27 from the port to the authority.

28 (A) Property adjacent to Pond 20 located at Parcel Nos.
29 042-002 and 042-003 (this parcel encompasses approximately two
30 or three acres).

31 (B) Property acquired as Parcel No. 034-001 from Western Salt
32 Processing Plant and identified as Document No. 39222 from
33 GGTW, LLC.

34 (3) The following nonairport, real properties that presently
35 provide airport-related services shall also be excluded from any
36 land transfer to the authority:

37 (A) Airport employee parking lot located at Harbor Island
38 Drive and Harbor Island Drive East identified as District Parcel
39 No. 007-020.



1 (B) Airport taxi and shuttle overflow lot located at the
2 southeast corner of North Harbor Drive and Harbor Island Drive
3 identified as District Parcel No. 007-025.

4 (C) Property leased to National Car Rental System,
5 Incorporated, located east of the southeast corner of North Harbor
6 Drive and Harbor Island Drive identified at District Parcel No.
7 007-034.

8 (D) Property leased to The Hertz Corporation located east of
9 the southeast corner of North Harbor Drive and Harbor Island
10 Drive identified as District Parcel No. 007-035.

11 (E) Property leased to Avis Rent-A-Car Corporation located at
12 the southwest corner of North Harbor Drive and Rental Car
13 Roadway identified as District Parcel No. 007-036.

14 (F) Property leased to National Car Rental System,
15 Incorporated, located at the southeast corner of North Harbor
16 Drive and Rental Car Roadway identified as District Parcel No.
17 007-038.

18 (G) Property leased in common to National Car Rental System,
19 Incorporated; The Hertz Corporation; and Avis Rent-A-Car
20 Corporation, known as Joint-Use Roadway identified as District
21 Parcel No. 007-037.

22 (H) Property leased to Jimsair, Incorporated, located on the
23 property previously known as the General Dynamics Parcel, south
24 of Sassafras Street and west of Pacific Highway adjacent to the
25 Airport Operation Area identified as District Parcel No. 016-042.

26 (I) Property leased to Budget Rent A Car of San Diego located
27 at both the northeast and southwest corners of Palm Street and
28 Pacific Highway identified as District Parcel No. 016-001 (Parcel
29 1 and 2).

30 (J) Property leased to Budget Rent A Car of San Diego located
31 east of the northeast corner of Palm Street and Pacific Highway
32 identified as District Parcel No. 016-001 (Parcel 3).

33 (K) Property leased to Lichtenberger Equipment Incorporated,
34 located north of the northeast corner of Palm Street and Pacific
35 Highway identified as District Parcel No. 016-034.

36 (L) Property leased to Park and Ride, Incorporated, located at
37 the northeast corner of Sassafras and Pacific Highway identified
38 as District Parcel No. 016-038.



1 (M) Property leased to Ace Parking Management,
2 Incorporated, located north of the intersection of Sassafras Street
3 and Pacific Highway identified as District Parcel No. 016-040.

4 (N) Property leased to Federal Express Corporation located at
5 the west end of the extension of Washington Street identified as
6 District Parcel No. 015-008.

7 (b) All contracts with airport tenants, concessionaires,
8 leaseholders, and others, including, but not limited to, fees from
9 vehicle rental companies.

10 (c) All airport-related financial obligations secured by
11 revenues and fees generated from the operations of the airport,
12 including, but not limited to, bonded indebtedness associated with
13 the airport. The authority shall assume obligations issued or
14 incurred by the port for San Diego International Airport,
15 including, but not limited to, any long-term debt, grants, and grant
16 assurances.

17 (d) All airport-related financial reserves, including, but not
18 limited to, sinking funds and other credits.

19 (e) All personal property, including, but not limited to,
20 emergency vehicles, office equipment, computers, records and
21 files, software required for financial management, personnel
22 management, and accounting and inventory systems, and any
23 other personal property owned by the port used to operate or
24 maintain the airport.

25 (f) Notwithstanding any provision of this section, the port shall
26 agree to lease for a period of 66 years, commencing on January 1,
27 2003, to the authority parcels 1, 2, and 3 of the property originally
28 leased to General Dynamics (identified in Document No. 12301 on
29 file with the clerk of the port) consisting of approximately 89.75
30 acres west of the Pacific Highway and including property leased
31 to JimsAir (identified as Parcel #016-042), property leased to
32 Federal Express Corporation (identified as Parcel #015-008) and
33 the Park, Shuttle and Fly lot operated by Five Star Parking under
34 a management agreement with the port (identified as Clerk
35 Document No. 38334, dated March 29, 1999), subject to the
36 following terms:

37 (1) The rent shall be paid monthly in arrears at the rate of four
38 million seven hundred thousand dollars (\$4,700,000) for calendar
39 year 2003, six million seven hundred thousand dollars
40 (\$6,700,000) for calendar year 2004, and eight million seven



1 hundred thousand dollars (\$8,700,000) for calendar year 2005.
2 Thereafter, the annual rent shall be level, for the balance of the
3 term, based on the fair market value of the property as of January
4 1, 2006, and a market rate of return on that date.

5 (2) The authority shall lease to the port at the same fair market
6 value per square foot a total of not to exceed 250 parking spaces
7 in reasonable proximity to the port's administrative building
8 located at 3165 Pacific Highway with the authority having a right
9 to relocate or substitute substantially equivalent or better parking
10 from time to time. The parties shall first meet and confer to
11 determine by appraisal and negotiation, the fair market value rent.
12 If the authority and port do not reach agreement within 60 days
13 after commencement of meetings for that purpose, either party
14 may submit the matter to binding arbitration in San Diego in
15 accordance with the Commercial Arbitration Rules of the
16 American Arbitration Association. In the event airport operations
17 cease to exist on the property leased to the authority pursuant to
18 this section, control of the property will revert to the port as
19 provided in Section 170060.

20 (3) All other terms of the ground lease shall be in accordance
21 with reasonable commercial practice in the San Diego area for
22 long-term real property ground leases.

23 SEC. 11. Section 170058 of the Public Utilities Code is
24 amended to read:

25 170058. Property adjacent to the San Diego International
26 Airport, owned by the port, and commonly referred to as the
27 "General Dynamics Property" shall continue to be operated by the
28 port.

29 SEC. 12. Section 170058.5 of the Public Utilities Code is
30 repealed.

31 SEC. 13. Section 170059 of the Public Utilities Code is
32 repealed.

33 SEC. 14. Section 170060 of the Public Utilities Code is
34 repealed.

35 SEC. 15. Section 170060 is added to the Public Utilities Code,
36 to read:

37 170060. (a) The port shall retain trusteeship of lands
38 underlying the airport consistent with the State Lands
39 Commission's requirement and shall execute a 66-year lease with
40 the authority for control of the airport property. The authority shall



1 pay one dollar (\$1) per year during the term of the lease, or until
2 that time as airport operations controlled by the authority cease to
3 exist on the property. At that time, the lease shall terminate and
4 control of the property shall revert to the port.

5 (b) (1) The port may continue or enter into contracts,
6 memorandums of understanding, or other agreements necessary to
7 fulfill its responsibilities as trustee of the lands underlying the
8 airport or adjacent lands under its control, or acquire additional
9 lands within its jurisdiction consistent with its duties and pursuant
10 to Division 6 (commencing with Section 6001) of the Public
11 Resources Code. ~~The~~

12 (2) (A) *The port shall act as lead agency to certify any studies,*
13 *reports, or other documents necessary to fulfill its obligations as*
14 *trustee of ~~these lands.~~ Lands the lands described in paragraph (1).*

15 (B) *Notwithstanding subparagraph (A) or any other provision*
16 *of law, until the date that the port transfers the airport to the*
17 *authority, the port and the authority, without the necessity of the*
18 *giving of any notice, filing of any documents, or the taking of any*
19 *other action, shall serve jointly as the lead agencies for the*
20 *purposes of the California Environmental Quality Act (Division 13*
21 *(commencing with Section 21000) of the Public Resources Code)*
22 *and regulations adopted thereto, including, but not limited to, the*
23 *filing of notices of exemption, initial studies, negative*
24 *declarations, and environmental impact reports. On and after the*
25 *transfer date, the authority, without the necessity of the giving of*
26 *any notice, filing of any documents, or the taking of any other*
27 *action, is the sole lead agency for any documents for which an*
28 *initial study has been commenced pursuant to Section 15063 of*
29 *Title 14 of the California Code of Regulations or for which a notice*
30 *of preparation has been issued pursuant to Section 15082 of Title*
31 *14 of the California Code of Regulations, regardless of whether or*
32 *not a notice of determination has been issued or a notice of*
33 *completion has been issued.*

34 (C) *The lead agency status described in this paragraph is*
35 *declaratory of existing law, and shall not in any respect be grounds*
36 *for any claim or finding of noncompliance by the port or the*
37 *authority, or both, with the California Environmental Quality Act*
38 *(Division 13 (commencing with Section 21000) of the Public*
39 *Resources Code) or regulations adopted under that act.*



1 (3) *Lands* acquired by or added to lands under its trusteeship by
2 the port adjacent to the existing airport property and necessary to
3 operate the airport, including, but not limited to, lands from the
4 United States Marine Corp Recruit Depot for additional taxiways
5 and other airport related facilities, shall be included in the lease to
6 the authority as it is acquired by the port.

7 (c) The authority shall be responsible for making any necessary
8 application to the California Coastal Commission pursuant to the
9 California Coastal Act of 1976 (Division 20 (commencing with
10 Section 30000) of the Public Resources Code) and to other
11 agencies in accordance with other applicable laws in effect on the
12 effective date of the act that added this section for improvements
13 upon coastal lands under the control of the authority through a
14 lease. The port shall assist in the application for those projects as
15 the trustee of the lands and shall not impede any improvements
16 sought in the fulfillment of the authority's duties. The authority
17 shall be responsible for all applications, requests, or submittals to
18 other governmental agencies for approvals, permits,
19 authorizations or agreements of any kind affecting or relating to
20 the property governed by the lease, and the port shall cooperate in
21 completion of all documents in the form submitted or approved by
22 the authority without modification, providing the documents are
23 requested by the authority, or required by any other governmental
24 agencies, or both.

25 (d) *Notwithstanding any other provision of law, immediately*
26 *upon the transfer of the San Diego International Airport to the*
27 *authority, the variance from Section 5012 of Title 21 of the*
28 *California Code of Regulations (noise standards) issued to the*
29 *port effective August 27, 2001, by the Department of*
30 *Transportation shall be transferred to the authority. That variance*
31 *shall be transferred on the same terms and conditions as granted*
32 *to the port. The authority shall comply with the terms and*
33 *conditions of the transferred variance.*

34 SEC. 16. Section 170062 of the Public Utilities Code is
35 amended to read:

36 170062. (a) The authority shall develop a transition plan to
37 facilitate the transfer of the San Diego International Airport to the
38 authority pursuant to this section. To facilitate the preparation of
39 a transition plan, the authority and the port shall jointly
40 commission a certified audit to determine the financial condition



1 of the San Diego International Airport, including, but not limited
2 to, the obligations of the airport and the reasonableness of the
3 overhead charges being paid by the airport to the port. Upon
4 completion of the audit, the port and the authority shall balance all
5 accounts, including, but not limit to, loans and other obligations
6 between the two agencies.

7 (b) The port shall cooperate in every way to facilitate the
8 transfer of the San Diego International Airport to the authority.

9 (c) In the preparation of the transition plan, priority shall be
10 given to ensuring continuity in the programs, services, and
11 activities of the San Diego International Airport.

12 (d) (1) The transfer of the San Diego International Airport to
13 the authority shall be completed on or after December 16, 2002.

14 (2) The terms of the transfer of San Diego International Airport
15 to the authority shall include, but are not limited to, the following:

16 (A) The authority shall request and receive a finding by the
17 Federal Aviation Administration that it is an eligible airport
18 sponsor.

19 (B) The authority shall comply with federal regulations,
20 including, but not limited to, Part 139 of Title 14 of the Code of
21 Federal Regulations (certification and operation) and Part 107 of
22 Title 14 of the Code of Federal Regulations (security).

23 (C) Consistent with the obligations set forth in this section, the
24 authority may, in its sole discretion, from time to time, enter into
25 agreements with the port for services including, but not limited to,
26 operations, maintenance, and purchasing, as the authority may
27 find necessary or beneficial to facilitate the orderly transfer and
28 continued operation of San Diego International Airport. During a
29 transition period from January 1, 2003, to June 30, 2005, inclusive,
30 the authority shall purchase from the port, pursuant to a written
31 agreement approved by the authority and the port, substantially all
32 of the services specified in subparagraphs (D), (E), and (F) during
33 the periods stated in subparagraphs (D), (E), and (F), subject to
34 subdivisions (h) to (j), inclusive, and other requirements imposed
35 by law or regulation.

36 (D) For the period from January 1, 2003, to June 30, 2003,
37 inclusive, the authority shall acquire substantially all of its
38 requirements for the following services from the port:

39 (i) General services and maintenance.

40 (ii) Training and organizational development.



- 1 (iii) Public art.
- 2 (iv) Environmental services.
- 3 (v) Human resources.
- 4 (vi) Audit and risk management.
- 5 (vii) Marketing.
- 6 (viii) Financial services.
- 7 (ix) Information technology.
- 8 (x) Purchasing.
- 9 (xi) Treasury.
- 10 (xii) Equal Opportunity Management.

11 (E) For the period from July 1, 2003, to June 30, 2004,
12 inclusive, the authority shall acquire substantially all of its
13 requirements for the following services from the port:

- 14 (i) General services and maintenance.
- 15 (ii) Training and organization development.
- 16 (iii) Public art.
- 17 (iv) Environmental services.
- 18 (v) Human resources.
- 19 (vi) Audit and risk management
- 20 (vii) Marketing

21 (F) For the period from July 1, 2004, to June 30, 2005,
22 inclusive, under the authority shall acquire substantially all of its
23 requirements for the following services from the port:

- 24 (i) General services and maintenance.
- 25 (ii) Training and organizational development.
- 26 (iii) Public art.

27 (G) Except as expressly stated in subparagraphs (D), (E), and
28 (F), the authority shall have no obligation to purchase or procure
29 any services, facilities, or equipment from or through the port. At
30 no time shall the authority be obligated to purchase auditing,
31 public affairs, and governmental relations, strategic planning,
32 legal, or board support services from the port. However, the
33 authority may elect to obtain these services and support in
34 agreement with the port.

35 (H) Performance of all these services shall be subject to the
36 direction and control of the authority, and shall be provided in
37 accordance with specifications, policies, and procedures as
38 communicated by the authority to the port from time to time. In all
39 cases, the port shall provide services of sufficient quality, quantity,
40 reliability, and timeliness to ensure that the authority can continue



1 the operation, maintenance, planning and improvement of and for
2 San Diego International Airport consistent with the standards and
3 practices under which the airport is operated on the effective date
4 of the act that added this subparagraph or higher standards as the
5 authority may adopt, or as may be required in the authority's
6 judgment to meet the requirements of federal or state law, or the
7 needs of the users of the airport for the safe, secure, and efficient
8 operation of the airport. The authority also, from time to time, may
9 establish performance standards for and may conduct financial or
10 performance audits, or both, of all services provided by the port
11 and all charges or claims for payment for the services provided.

12 (I) Services provided by the Harbor Police shall in no event be
13 of less quality than the standard established for airport police
14 services by the three other largest airports, based on annual
15 passengers, in this state. The port shall cooperate fully, at its own
16 cost, in any financial or performance audit, or both, conducted by,
17 or on behalf of, the authority or by any government agency having
18 jurisdiction.

19 (J) For those services that the authority is required, under
20 subparagraphs (D), (E), and (F) to purchase from the port, the port
21 shall submit to the authority a proposed budget for those services
22 for the approval of the authority not less than 120 days preceding
23 the commencement of the applicable six-month or one-year period
24 for the provision of those services. For all other services that the
25 authority in its discretion may request, and the port agrees to
26 provide services, the port shall submit to the authority a proposed
27 budget for those optional services within 30 days of the authority's
28 request for the services.

29 (K) The authority shall reimburse the port for the actual and
30 reasonable direct costs, including, but not limited to, an
31 appropriate allocation of general and administrative expenses
32 associated with the provision of that service, incurred by the port
33 to deliver services actually provided to the authority in accordance
34 with the standards and requirements described in this section. The
35 port shall request payment for services on a monthly basis. Those
36 requests shall provide details regarding each service or element
37 thereof for which payment is requested as the authority reasonably
38 may request. The authority shall have the right to review and
39 approve any request for payment for those services. Payment shall



1 be due and payable 30 days after the request provided all necessary
2 supporting documentation is received by the authority.

3 (L) Performance of all services shall be subject to the direction
4 and control of the authority, and shall be provided in accordance
5 with specifications, policies, and procedures as communicated by
6 the authority to the port from time to time. In all cases, the port
7 shall provide services of sufficient quality, quantity, reliability,
8 and timeliness to ensure that the authority can continue the
9 operation, maintenance, planning and improvement of and for San
10 Diego International Airport, consistent with the standards and
11 practices under which the airport is operated on the effective date
12 of the act that added this subparagraph, or higher standards as the
13 authority may adopt, or as may be required in the authority's
14 judgment to meet the requirements of federal or state law, or the
15 needs of the users of the airport for the safe, secure, and efficient
16 operation of the airport. The authority also, from time to time, may
17 establish performance standards for, and may conduct financial
18 performance audits, or both, of, all services provided by the port
19 and all charges or claims for payment for the services.

20 (M) Upon the completion of the transfer, the authority shall
21 hire existing port staff assigned to the aviation division of the port
22 as employees of the authority. The authority may hire additional
23 staff, as needed, to fulfill its responsibilities. The authority shall
24 make every responsible effort to fill necessary positions from port
25 staff which may be affected by the transfer of the airport.

26 (e) The transfer may not in any way impair any contracts with
27 vendors, tenants, employees, or other parties.

28 (f) The San Diego Harbor Police Department shall remain
29 under the jurisdiction of the San Diego Unified Port District, and
30 employees shall incur no loss of employment or reduction in
31 wages, health and welfare benefits, seniority, retirement benefits
32 or contributions made to retirement plans, or other terms and
33 conditions of employment as a result of enactment of this division.
34 The San Diego Harbor Police Department shall have the exclusive
35 contract for law enforcement services at San Diego International
36 Airport during that time as the airport continues to operate at the
37 Lindbergh Field, and peace officer of the Harbor Police shall
38 remain employees of the port.

39 SEC. 17. Section 170064 of the Public Utilities Code is
40 amended to read:



1 170064. (a) From revenues in accounts attributable to airport
2 operations, the port shall fund the authority for not less than one
3 million dollars (\$1,000,000) each year until that time as the
4 transfer of the airport and all associated revenue sources have been
5 completed between the port and the authority. The authority's
6 board may submit a budget request for more than this amount if
7 necessary to carry out its duties. The port shall approve those
8 budget requests in a timely manner without modification or
9 reduction. The authority shall report its total budget expenditure
10 amount to the port on an annual basis and balance or carryover
11 reserves from previous budgets. The funding provided by this
12 subdivision replaces any loans made to the authority by the port
13 under the former provisions set forth in this subdivision requiring
14 the port to loan the authority the sum of one million dollars
15 (\$1,000,000).

16 (b) Upon the completion of the transfer pursuant to Section
17 170062, the authority shall assume all revenue stream revenues to
18 fund its activities, operations, and investments consistent with its
19 purposes. The sources of revenue available to the authority may
20 include, but are not limited to, imposing fees, rents, or other
21 charges for facilities, services, the repayment of bonded
22 indebtedness, and other expenditures consistent with the purposes
23 of the authority.

24 (c) To the extent practicable, the authority shall endeavor to
25 maximize the revenues generated from enterprises located on the
26 property of the authority.

27 (d) The authority may receive state and federal grants for
28 purposes of planning, constructing, and operating an airport and
29 for providing ground access to airports under its control.

30 SEC. 18. Section 170066 of the Public Utilities Code is
31 repealed.

32 SEC. 19. Section 170066 is added to the Public Utilities Code,
33 to read:

34 170066. (a) No other agency in the County of San Diego may
35 apply for grants for funding significant expansion activities,
36 including, but not limited to, specific efforts to increase air
37 ~~capacity, that are not authorized by a currently adopted~~
38 ~~comprehensive land use plan adopted pursuant to Section 21670.3,~~
39 *capacity*, unless the application is first approved by the authority



1 as being consistent with the regional air transportation plan
2 adopted by the authority.

3 (b) *Unless action is taken pursuant to Section 170068, publicly*
4 *owned airports in the County of San Diego, other than the San*
5 *Diego International Airport, shall not be considered to be under*
6 *the control of the authority for purposes of application for, or*
7 *receipt of grants for, regular operational maintenance and*
8 *upgrade projects adopted pursuant to Section 21670.3.*

9 SEC. 20. Section 170068 of the Public Utilities Code is
10 amended to read:

11 170068. The authority may only accept the transfer of
12 ownership of other publicly owned airports in the County of San
13 Diego upon initiation by the respective airport operator. Any
14 transfer shall include the preparation of a transition plan to ensure
15 the orderly transfer of assets and obligations. In accepting a
16 transfer, the authority may assume no financial obligations other
17 than those associated with the operation of the airport being
18 transferred.

19 SEC. 21. Section 170070 of the Public Utilities Code is
20 amended to read:

21 170070. (a) The authority may issue bonds, from time to
22 time, payable from revenue of any facility or enterprise operated,
23 acquired, or constructed by the authority, for any of the purposes
24 authorized by this division in accordance with the Revenue Bond
25 Law of 1941 (Chapter 6 (commencing with Section 54300) of Part
26 1 of Division 2 of Title 5 of the Government Code), excluding
27 Article 3 (commencing with Section 54380) of Chapter 6 of Part
28 1 of Division 2 of Title 5 of the Government Code and the
29 limitations set forth in subdivision (b) of Section 54402 of the
30 Government Code which shall not apply to the issuance and sale
31 of bonds pursuant to this section.

32 (b) The authority is a local agency within the meaning of
33 Section 54307 of the Government Code. The airport system or any
34 or all facilities and all additions and improvements that the
35 authority's governing board authorizes to be acquired or
36 constructed and any purpose, operation, facility, system,
37 improvement, or undertaking of the authority from which
38 revenues are derived or otherwise allocable, which revenues are,
39 or may by resolution or ordinance be, required to be separately
40 accounted for from other revenues of the authority, shall constitute



1 an enterprise within the meaning of Section 54309 of the
2 Government Code.

3 (c) The authority's governing board shall authorize the
4 issuance of bonds pursuant to this section by resolution, which
5 resolution shall be adopted by a majority vote and shall specify all
6 of the following:

7 (1) The purposes for which the bonds are to be issued, which
8 may include any one or more purposes permitted by this division.

9 (2) The maximum principal amount of bonds.

10 (3) The maximum term of bonds.

11 (4) The maximum rate of interest, fixed or variable, to be
12 payable upon the bonds.

13 (5) The maximum discount or premium payable on sale of the
14 bonds.

15 (d) For purposes of the issuance and sale of bonds pursuant to
16 this section, the following definitions shall be applicable to the
17 Revenue Bond Law of 1941:

18 (1) "Fiscal agent" means any fiscal agent, trustee, paying
19 agent, depository or other fiduciary provided for in the resolution
20 providing the terms and conditions for the issuance of the bonds,
21 which fiscal agent may be located within or without the state.

22 (2) "Resolution" means, unless the context otherwise requires,
23 the instrument providing the terms and conditions for the issuance
24 of bonds, which instrument may be an indenture, trust agreement,
25 installment sale agreement, lease, ordinance, or other instrument
26 in writing.

27 (e) Each resolution shall provide for the issuance of bonds in
28 the amounts as may be necessary, until the full amount of bonds
29 authorized has been issued. The full amount of bonds may be
30 divided into two or more series with different dates of payment
31 fixed for bonds of each series. A bond need not mature on its
32 anniversary date.

33 (f) The authority may issue refunding bonds to redeem or retire
34 any bonds issued by the authority upon the terms, at the times, and
35 in the manner which the authority's governing body determines by
36 resolution. Refunding bonds may be issued in a principal amount
37 sufficient to pay all, or any part of, the principal of the outstanding
38 bonds, the premium, if any due upon call redemption thereof prior
39 to maturity, all expenses of redemption and either of the following:



1 (1) The interest upon the refunding bonds from the date of sale
2 thereof to the date of payment of the bonds to be refunded out of
3 the sale of the refunding bonds or to the date upon which the bonds
4 to be refunded will be paid pursuant to call or agreement with the
5 holders of the bonds.

6 (2) The interest upon the bonds to be refunded from the date of
7 sale of the refunding bonds to the date of payment of the bonds to
8 be refunded or to the date upon which the bonds to be refunded will
9 be paid pursuant to call or agreement with the holders of the bonds.

10 (g) The authority may enter into any liquidity or credit
11 agreement it may deem necessary in connection with the issuance
12 of bonds authorized by this section.

13 (h) This section provides a complete, additional, and
14 alternative method of performing the acts authorized by this
15 section, and the issuance of bonds, including refunding bonds,
16 need not comply with any other law applicable to borrowing or the
17 issuance of bonds. Any provision of the Revenue Bond Law of
18 1941 which is inconsistent with this section or this division shall
19 not be applicable.

20 (i) Nothing in this section prohibits the authority from availing
21 itself of any procedure provided in this chapter for the issuance of
22 bonds of any type or character for any of the authorized airport
23 facilities. All bond proceedings may be carried on simultaneously
24 or, in the alternative, as the authority may determine.

25 SEC. 22. Section 170072 of the Public Utilities Code is
26 amended to read:

27 170072. The authority may levy special benefit assessments
28 consistent with the requirements of Article XIII D of the
29 California Constitution to finance capital improvements,
30 including, but not limited to, special benefit assessments levied
31 pursuant to any of the following:

32 (a) The Improvement Act of 1911 (Division 7 (commencing
33 with Section 5000) of the Streets and Highways Code).

34 (b) The Improvement Bond Act of 1915 (Division 15
35 (commencing with Section 8500) of the Streets and Highways
36 Code).

37 (c) The Municipal Improvement Act of 1913 (Division 12
38 (commencing with Section 10000) of the Streets and Highways
39 Code).



1 (d) The Landscaping and Lighting Act of 1972 (Part 2
2 (commencing with Section 22500) of Division 15 of the Streets
3 and Highways Code).

4 SEC. 23. Section 170076 of the Public Utilities Code is
5 amended to read:

6 170076. (a) The authority may borrow money in anticipation
7 of the sale of any bonds that have been authorized to be issued, but
8 have not been sold and delivered, and may issue negotiable bond
9 anticipation notes therefor, and may renew the bond anticipation
10 notes from time to time, but the maximum maturity of any bond
11 anticipation notes, including the renewals thereof, may not exceed
12 five years from the date of delivery of the original bond
13 anticipation notes. The bond anticipation notes may be paid from
14 any money of the authority available therefor and not otherwise
15 pledged.

16 (b) If not previously otherwise paid, the bond anticipation
17 notes shall be paid from the proceeds of the next sale of the bonds
18 of the authority in anticipation of which they were issued. The
19 bond anticipation notes may not be issued in any amount in excess
20 of the aggregate amount of bonds that the authority has been
21 authorized to issue, less the amount of any bonds of the authorized
22 issue previously sold, and also less the amount of other bond
23 anticipation notes therefore issued and then outstanding. The bond
24 anticipation notes shall be issued and sold in the same manner as
25 the bonds. The bond anticipation notes and the resolution or
26 resolutions authorizing them may contain any provisions,
27 conditions, or limitations that a resolution of the authority
28 authorizing the issuance of bonds may contain.

29 (c) Exclusively for the purpose of securing financing or
30 refinancing for any of the purposes permitted by this division
31 through the issuance of bonds, notes, or other obligations,
32 including certificates of participation, by a joint powers authority,
33 and, notwithstanding any other provision contained in this
34 division or any other law, the authority may borrow money or
35 purchase or lease property from a joint powers authority and, in
36 connection therewith, may sell or lease property to the joint
37 powers authority, in each case at the interest rate or rates, maturity
38 date or dates, installment payment or rental provisions, security,
39 pledge of revenues and other assets, covenants to increase rates and
40 charges, default, remedy and other terms or provisions as may be



1 specified in the installment sale, lease, loan, loan purchase, or
2 other agreement or agreements between the authority and the joint
3 powers authority. The authority may enter into any liquidity or
4 credit agreement it may deem necessary or appropriate in
5 connection with any financing or refinancing authorized by this
6 section. This section provides a complete, additional and
7 alternative method of performing the acts authorized by this
8 section, and the borrowing of money, incurring indebtedness, sale,
9 purchase or lease of property from or to a joint powers authority,
10 and any agreement for liquidity or credit enhancement entered into
11 in connection therewith, pursuant to this section need not comply
12 with the requirements of any other law applicable to borrowing,
13 incurring indebtedness, sale, purchase, lease or credit except for
14 compliance with this section.

15 SEC. 24. Section 170078 of the Public Utilities Code is
16 amended to read:

17 170078. The authority may bring an action to determine the
18 validity of any of its bonds, equipment trust certificates, warrants,
19 notes, or other evidences of indebtedness or any of its revenues,
20 rates, or charges pursuant to Chapter 9 (commencing with Section
21 860) of Title 10 of Part 2 of the Code of Civil Procedure.

22 SEC. 25. Section 170080 of the Public Utilities Code is
23 repealed.

24 SEC. 26. Section 170082 of the Public Utilities Code is
25 amended to read:

26 170082. (a) Notwithstanding any other provisions of this
27 division or any other law, the provisions of all ordinances,
28 resolutions, and other proceedings in the issuance by the authority
29 of any bonds, bonds with a pledge of revenues, bonds for
30 improvement districts, revenue bonds, equipment trust
31 certificates, notes, or any and all evidences of indebtedness or
32 liability constitute a contract between the authority and the holders
33 of the bonds, equipment trust certificates, notes, or evidences of
34 indebtedness or liability, and the provisions thereof are
35 enforceable against the authority or any or all of its successors or
36 assigns, by mandamus or any other appropriate suit, action, or
37 proceeding in law or in equity in any court of competent
38 jurisdiction.



1 (b) Nothing in this division or in any other law shall be held to
2 relieve the authority or the territory included within it from any
3 bonded or other debt or liability contracted by the authority.

4 (c) Upon dissolution of the authority or upon withdrawal of
5 territory therefrom, that territory formerly included within the
6 authority, or withdrawn therefrom, shall continue to be liable for
7 the payment of all bonded and other indebtedness or liabilities
8 outstanding at the time of the dissolution or withdrawal as if the
9 authority had not been so dissolved or the territory withdrawn
10 therefrom, and it shall be the duty of the successors or assigns to
11 provide for the payment of the bonded and other indebtedness and
12 liabilities.

13 (d) To the extent provided in the proceedings for the
14 authorization, issuance, and sale of any revenue bonds, bonds
15 secured by a pledge of revenues, or bonds for improvement
16 districts secured by a pledge of revenues, revenues of any kind or
17 nature derived from any revenue-producing improvements,
18 works, facilities, or property owned, operated, or controlled by the
19 authority may be pledged, charged, assigned, and have a lien
20 thereon for the payment of the bonds as long as the same are
21 outstanding, regardless of any change in ownership, operation, or
22 control of the revenue-producing improvements, works, facilities,
23 or property and it shall, in any later event or events, be the duty of
24 the successors or assigns to continue to maintain and operate the
25 revenue-producing improvements, works, facilities, or property as
26 long as bonds are outstanding.

27 SEC. 27. Section 170084 of the Public Utilities Code is
28 amended to read:

29 170084. The authority shall assume and be bound by the terms
30 and conditions of employment set forth in any collective
31 bargaining agreement or employment contract between the port
32 and any labor organization or employee affected by the creation of
33 the authority, as well as the duties, obligations, and liabilities
34 arising from, or relating to, labor obligations imposed by state or
35 federal law upon the port. Aviation division employees of the port
36 affected by this division shall become employees of the authority
37 and shall suffer no loss of employment or reduction in wages,
38 health and welfare benefits, seniority, retirement benefits or
39 contributions made to retirement plans, or any other term of
40 condition of employment as a result of the enactment of this



1 division. No employee of the port shall suffer loss of employment
2 or reduction in wages or benefits as a result of the enactment of this
3 division.

4 SEC. 28. No reimbursement is required by this act pursuant
5 to Section 6 of Article XIII B of the California Constitution for
6 certain costs that may be incurred by a local agency or school
7 district because a local agency or school district has the authority
8 to levy service charges, fees, or assessments sufficient to pay for,
9 in part, the program or level of service mandated by this act, within
10 the meaning of Section 17556 of the Government Code.

11 However, notwithstanding Section 17610 of the Government
12 Code, if the Commission on State Mandates determines that this
13 act contains other costs mandated by the state, reimbursement to
14 local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code. If the statewide cost of the
17 claim for reimbursement does not exceed one million dollars
18 (\$1,000,000), reimbursement shall be made from the State
19 Mandates Claims Fund.

20 SEC. 29. This act is an urgency statute necessary for the
21 immediate preservation of the public peace, health, or safety
22 within the meaning of Article IV of the Constitution and shall go
23 into immediate effect. The facts constituting the necessity are:

24 In order that these provisions may apply at the earliest possible
25 time to facilitate the orderly transfer of the San Diego International
26 Airport to the San Diego County Regional Airport Authority, it is
27 essential that this act take effect immediately.

