

AMENDED IN ASSEMBLY MAY 16, 2013
AMENDED IN ASSEMBLY MARCH 21, 2013
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1058

Introduced by Assembly Member Chávez
(Coauthors: Assembly Members Atkins, Jones, and Waldron)

February 22, 2013

An act to amend Sections 170004, 170006, 170010, 170011, 170012, 170013, 170014, 170018, 170024, 170048, 170056, 170060, 170062, and 170064 of the Public Utilities Code, relating to airports.

LEGISLATIVE COUNSEL'S DIGEST

AB 1058, as amended, Chávez. San Diego County Regional Airport Authority.

Existing

(1) Existing law provides for the formation and functioning of city selection committees in any county in which 2 or more cities are incorporated, for the purpose of appointing city representatives to boards, commissions, and agencies as required by law.

The San Diego County Regional Airport Authority Act 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 prepare, adopt, and amend an airport land use compatibility plan for each airport in San Diego County utilizing a public collaborative planning process. Existing law requires the authority to adopt a comprehensive plan on the future development of San Diego's regional international airport. The authority is governed

by a 9-member board of directors, 4 of whom are appointed by city selection committees of specified cities within the County of San Diego.

This bill would delete references to the city selection committees appointing the 4 directors, and instead would require the mayors of those cities to jointly appoint the directors in a public meeting that is publicly noticed by the authority and each of the cities, as specified. By requiring the cities to provide notice of these meetings, thereby increasing the duties of local officials, this bill would impose a state-mandated local program. The bill would provide that there are 9 voting members of the board of directors and would delete outdated provisions relative to the initial terms of office of the various directors and the first meeting of the board. *The bill would authorize the authority to issue guidance to cities concerning the appointment process.* The bill would provide that a director's term of office commences on February 1 of the year in which the appointment commences, rather than on the first Monday in February. The bill would specify procedures for the composition of a 3-person executive committee. The bill would delete outdated provisions relative to the authority's audit committee. The bill would authorize, *instead of require*, the authority to adopt a comprehensive plan on the future development of San Diego's regional international airport.

~~The~~

(2) *The* San Diego Unified Port District Act established the San Diego Unified Port District. The San Diego County Regional Airport Authority Act requires the port to transfer all title and ownership of the San Diego International Airport, as defined, but to retain trusteeship of lands underlying the airport consistent with the State Land's Commission's requirement, subject to a 66-year lease to the authority for control of the airport property.

~~The~~

This bill would delete outdated provisions relative to the transition of title and ownership of the San Diego International Airport from the port to the authority.

~~The~~

(3) *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.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state,

reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. 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 finds and declares all of the following:

4 (a) Airports help to link local, regional, statewide, national, and
5 global economic activities. Airports are also essential features of
6 comprehensive transportation systems, that include streets and
7 highways, rail transit, transit over water, and mass transit.

8 (b) It is essential to the public health, safety, and welfare that
9 airports be developed and operated in the San Diego County region
10 so that those airports promote economic development, protect
11 environmental quality, and enhance social equity.

12 (c) The significant regional consequences of airport planning,
13 development, and operations require the creation of a regional
14 airport authority.

15 SEC. 2. Section 170006 of the Public Utilities Code is amended
16 to read:

17 170006. For the purposes of this division, the following terms
18 have the following meanings, unless the context requires otherwise.

19 (a) The “authority” means the San Diego County Regional
20 Airport Authority established under this division.

21 (b) The “board” and “board of directors” means the governing
22 board of the authority established as specified in Chapter 2
23 (commencing with Section 170010).

24 (c) The “consolidated agency” means the authority resulting
25 from the consolidation of the San Diego Association of
26 Governments and the transit boards pursuant to Chapter 3
27 (commencing with Section 132350) of Division 12.7.

28 (d) The “east county cities” means the Cities of El Cajon, La
29 Mesa, Lemon Grove, and Santee.

30 (e) The “north county coastal cities” means the Cities of
31 Carlsbad, Del Mar, Encinitas, Oceanside, and Solana Beach.

32 (f) The “north county inland cities” means the Cities of
33 Escondido, Poway, San Marcos, and Vista.

1 (g) The “port” means the San Diego Unified Port District
2 established under the San Diego Unified Port District Act (Chapter
3 67 of the Statutes of 1962, First Extraordinary Session).

4 (h) The “San Diego International Airport” means the airport
5 located at Lindbergh Field in the County of San Diego.

6 (i) The “south county cities” means the Cities of Chula Vista,
7 Coronado, Imperial Beach, and National City.

8 SEC. 3. Section 170010 of the Public Utilities Code is amended
9 to read:

10 170010. (a) (1) The board of directors shall consist of nine
11 voting members, appointed as follows:

12 (1)

13 (A) The Mayor of the City of San Diego shall appoint three
14 persons, two of whom shall be subject to confirmation by the City
15 Council of the City of San Diego. The persons appointed pursuant
16 to this paragraph shall be residents of the City of San Diego and
17 not less than one shall be an elected official of the City of San
18 Diego. For purposes of this subdivision, an “elected official of the
19 City of San Diego” means the Mayor or a member of the City
20 Council of the City of San Diego.

21 (2)

22 (B) The Chair of the Board of Supervisors of the County of San
23 Diego shall appoint two persons, subject to confirmation by the
24 Board of Supervisors of the County of San Diego. The persons
25 appointed pursuant to this paragraph shall be residents of the
26 County of San Diego and not less than one shall be a member of
27 the Board of Supervisors of the County of San Diego.

28 (3)

29 (C) At a public meeting, the mayors of the east county cities
30 shall appoint one person pursuant to a majority vote of the mayors
31 of the east county cities. The person appointed pursuant to this
32 paragraph shall be a member of a city council of one of the east
33 county cities or another resident of one of the east county cities.

34 (4)

35 (D) At a public meeting, the mayors of the north county coastal
36 cities shall appoint one person pursuant to a majority vote of the
37 mayors of the north county coastal cities. The person appointed
38 pursuant to this paragraph shall be a member of a city council of
39 one of the north county coastal cities or another resident of one of
40 the north county coastal cities.

1 ~~(5)~~

2 (E) At a public meeting, the mayors of the north county inland
3 cities shall appoint one person pursuant to a majority vote of the
4 mayors of the north county inland cities. The person appointed
5 pursuant to this paragraph shall be a member of a city council of
6 one of the north county inland cities or another resident of one of
7 the north county inland cities.

8 ~~(6)~~

9 (F) At a public meeting, the mayors of the south county cities
10 shall appoint one person pursuant to a majority vote of the mayors
11 of the south county cities. The person appointed pursuant to this
12 paragraph shall be a member of a city council of one of the south
13 county cities or another resident of one of the south county cities.

14 ~~(7)~~

15 (2) Public meetings convened to ~~appoint a board member~~
16 pursuant to ~~paragraphs (3) through (6)~~ *subparagraphs (C) to (F)*,
17 *inclusive, of paragraph (1)* shall be publicly noticed by the
18 authority and by each of the cities whose mayor is eligible to
19 participate in the meeting. These meetings are subject to the Ralph
20 M. Brown Act (Chapter 9 (commencing with Section 54950) of
21 Part 1 of Division 2 of Title 5 of the Government Code) and shall
22 be conducted by the authority clerk who shall record the minutes
23 of the meeting.

24 (3) *The authority may issue guidance to cities concerning the*
25 *appointment process.*

26 (b) The following persons shall be nonvoting, noncompensated,
27 ex officio members of the board of directors, appointed by the
28 Governor:

29 (1) The District Director of the Department of Transportation
30 for the San Diego region.

31 (2) The Department of Finance representative on the State Lands
32 Commission.

33 (c) The board of directors may provide for additional nonvoting,
34 noncompensated members of the board of directors, including
35 representatives of the United States Navy and the United States
36 Marine Corps, each of whom may appoint an alternate to serve in
37 his or her place.

38 (d) The Mayor of the City of San Diego shall appoint the chair
39 of the authority board of directors from among the nine voting
40 members of the board of directors.

1 SEC. 4. Section 170011 of the Public Utilities Code is amended
 2 to read:

3 170011. (a) Except as provided in subdivision (b) of *Section*
 4 *170010*, the term of office of a member of the board of directors
 5 appointed pursuant to subdivision (a) of Section 170010 is three
 6 years. A member of the board of directors may continue to serve
 7 beyond the expiration of the term until his or her successor qualifies
 8 for appointment and takes office. Following appointment, a
 9 member of the board of directors shall take office at ~~noon~~ *12:01*
 10 *a.m.* on February 1 of the year in which the appointment
 11 commences. If a board appointment is made after February 1 of
 12 the year in which the member’s term is scheduled to commence,
 13 the member shall take office immediately upon appointment and,
 14 if applicable, *after* receiving confirmation, to serve the remainder
 15 of the term.

16 (b) If a member of the board of directors is appointed to be a
 17 member as a result of holding another public office and that person
 18 no longer holds that other public office, then that person shall no
 19 longer serve on the board of directors and a vacancy shall exist.

20 (c) Any vacancy in the office of a member of the board of
 21 directors shall be filled promptly pursuant to Section 1779 of the
 22 Government Code.

23 (d) Any person appointed to fill a vacant office shall serve the
 24 balance of the unexpired term. If a member of the board of directors
 25 leaves office prior to the expiration of his or her term, the vacancy
 26 shall be filled for the balance of the unexpired term pursuant to
 27 subdivision (a) of Section 170010.

28 ~~SEC. 5. Section 170012 of the Public Utilities Code is amended~~
 29 ~~to read:~~

30 ~~170012. (a) At the first meeting of the board of directors on~~
 31 ~~or after February 1 of each even-numbered year, the board of~~
 32 ~~directors shall meet and elect its officers, except for the chair of~~
 33 ~~the board of directors, who shall be appointed by the Mayor of the~~
 34 ~~City of San Diego.~~

35 ~~(b) The officers of the board of directors are a chair, vice chair,~~
 36 ~~and those additional officers created by the board of directors~~
 37 ~~pursuant to subdivision (c). The chair shall preside over meetings~~
 38 ~~of the board of directors and the vice chair shall serve during the~~
 39 ~~chair’s absence or inability to serve.~~

1 ~~(e) The board of directors may create additional offices and~~
2 ~~elect members to those offices, provided that no member of the~~
3 ~~board of directors shall hold more than one office.~~

4 SEC. 5. Section 170012 of the Public Utilities Code is amended
5 to read:

6 170012. (a) At the first meeting of the board of directors on
7 or after February 4, 2008, and at the first meeting of the board on
8 or after the first Monday in February of each even-numbered year
9 thereafter 1 of each even-numbered year, the board of directors
10 shall meet and elect its officers, except for the chair of the board
11 of directors, who shall be appointed by the Mayor of the City of
12 San Diego.

13 (b) The officers of the board of directors are a chair, vice chair,
14 and those additional officers created by the board of directors
15 pursuant to subdivision (c). The chair shall preside over meetings
16 of the board of directors and the vice chair shall serve during the
17 chair's absence or inability to serve.

18 (c) The board of directors may create additional offices and
19 elect members to those offices, provided that no member of the
20 board of directors shall hold more than one office.

21 SEC. 6. Section 170013 of the Public Utilities Code is amended
22 to read:

23 170013. (a) The board of directors shall govern the authority.

24 (b) The board of directors shall establish policies for the
25 operation of the authority. The board of directors shall provide for
26 the implementation of those policies which are the responsibility
27 of the authority's chief executive officer.

28 (c) All members of the board of directors shall exercise their
29 independent judgment on behalf of the interests of the residents,
30 property owners, and the public within San Diego County as a
31 whole in furthering the purposes and intent of this division. The
32 members of the board of directors shall represent the interests of
33 the public as a whole and not solely the interests of the local
34 officials who appointed them to the board of directors.

35 (d) The board of directors shall have a three-member executive
36 committee. One member of the executive committee shall be a
37 board member selected from among those members appointed by
38 the Mayor of the City of San Diego pursuant to *subparagraph (A)*
39 *of paragraph (1) of subdivision (a) of Section 170010 (category*
40 *1). One member of the executive committee shall be a board*

1 member appointed by the Chair of the Board of Supervisors of the
2 County of San Diego pursuant to ~~paragraph (2)~~ *subparagraph (B)*
3 *of paragraph (1)* of subdivision (a) of Section 170010 (category
4 2). One member of the executive committee shall be a board
5 member selected from among those members appointed pursuant
6 to ~~paragraphs (3) to (6), inclusive,~~ *subparagraphs (C) to (F),*
7 *inclusive, of paragraph (1)* of subdivision (a) of Section 170010
8 (category 3). Additionally, members of the executive committee
9 shall be the following:

10 (1) The chair of the authority's board of directors pursuant to
11 subdivision (d) of Section 170010.

12 (2) The vice chair of the authority's board of directors, appointed
13 from a category different than the chair.

14 (3) A third member of the board of directors appointed from a
15 category that is not represented on the executive committee as a
16 result of paragraphs (1) and (2).

17 (4) The members of the executive committee serving pursuant
18 to paragraphs (2) and (3) shall each be selected to serve by a vote
19 of the members of the board of directors.

20 (e) The board of directors shall appoint a seven-member audit
21 committee consisting of four members of the board of directors
22 and the three public members appointed pursuant to Section
23 170018.

24 SEC. 7. Section 170014 of the Public Utilities Code is amended
25 to read:

26 170014. (a) Meetings of the board of directors are subject to
27 the provisions of the Ralph M. Brown Act (Chapter 9 (commencing
28 with Section 54950) of Part 1 of Division 2 of Title 5 of the
29 Government Code).

30 (b) A majority of the total voting membership of the board of
31 directors shall constitute a quorum for the transaction of business.

32 (c) The board of directors shall act only by ordinance, resolution,
33 or motion.

34 (d) (1) Except as provided in subdivision (e), to adopt an
35 ordinance, resolution, or motion requires both a numerical and a
36 weighted majority vote of the total voting membership of the board
37 of directors pursuant to paragraphs (2) and (3).

38 (2) A numerical majority requires an affirmative vote of at least
39 five of the voting membership of the board of directors.

1 (3) (A) A weighted majority requires an affirmative vote of at
2 least 51 vote points that are allocated to the voting membership of
3 the board of directors, unless the total number of vote points is
4 expanded beyond 100 as a result of the operation of subparagraph
5 (E). If the total number of vote points is greater than 100 as a result
6 of the operation of subparagraph (E), a weighted majority requires
7 an affirmative vote of at least 50 percent plus one of the total vote
8 points. Vote points shall be allocated pursuant to subparagraph
9 (B).

10 (B) There shall be a total of 100 allocated vote points for the
11 weighted vote, except that additional vote points shall be allocated
12 pursuant to subparagraph (E). For purposes of this paragraph, the
13 City of San Diego, the County of San Diego, the east county cities,
14 the north county coastal cities, the north county inland cities, and
15 the south county cities are each a jurisdiction. The points allocated
16 to the City of San Diego shall be divided among the three board
17 members appointed pursuant to paragraph (1) of subdivision (a)
18 of Section 170010. The points shall be allocated among the three
19 board members by the Mayor of the City of San Diego, keeping
20 the votes for each seat as close to equal as possible but in a manner
21 that avoids fractional vote points. The vote points allocated to the
22 County of San Diego shall be divided between the two board
23 members appointed pursuant to paragraph (2) of subdivision (a)
24 of Section 170010. The vote points shall be allocated among the
25 two board members by the chair of the board of supervisors,
26 keeping the votes for each seat as close to equal as possible but in
27 a manner that avoids fractional vote points. Each jurisdiction shall
28 have that number of vote points determined by the following
29 allocation formula, except that each jurisdiction shall have at least
30 one vote point, no jurisdiction shall have more than 40 vote points,
31 and there shall be no fractional vote points:

32 (i) If any jurisdiction has 40 percent or more of the total
33 population of the San Diego County region, 40 vote points shall
34 be allocated to that jurisdiction and the remaining vote points shall
35 be allocated to the remaining jurisdictions pursuant to clause (ii).
36 If no jurisdiction has 40 percent or more of the total population of
37 the San Diego County region, vote points shall be allocated
38 pursuant to clause (iii).

39 (ii) The total population of the remaining jurisdictions shall be
40 computed and the remaining 60 vote points allocated based upon

1 the percentage of the total that each jurisdiction has, in the
2 following manner:

3 (I) The percentage each jurisdiction bears to the total remaining
4 population shall be multiplied by 60 to determine fractional shares.

5 (II) Each fraction less than one shall be rounded up to one, so
6 that no jurisdiction has less than one vote point.

7 (III) Disregarding any fractional vote points and adding just the
8 whole vote points, if the total vote points is 60, fractional vote
9 points are dropped and the whole numbers are the vote points for
10 each jurisdiction.

11 (IV) If, after disregarding the fractional vote points and adding
12 just the whole vote points, the total vote points for the remaining
13 jurisdictions is less than 60, the difference in vote points shall be
14 allocated to jurisdictions in order of the highest fractions until a
15 total of 60 vote points are allocated, excepting those jurisdictions
16 whose vote was increased to one pursuant to subclause (II).

17 (V) If, after disregarding the fractional vote points and adding
18 just the whole vote points, the total vote points for the remaining
19 jurisdictions is more than 60, the vote points in excess of 60 shall
20 be eliminated by subtracting vote points from jurisdictions with
21 the lowest percentage to the total remaining population except that
22 no jurisdiction's vote points shall be reduced to less than one.

23 (iii) If no jurisdiction has 40 percent or more of the total
24 population of the San Diego County region, the total population
25 of the region shall be computed and all 100 vote points shall be
26 allocated based upon the percentage each jurisdiction bears to the
27 total population of the region, in the following manner:

28 (I) The percentage of any jurisdiction that is less than one shall
29 be rounded up to one, so that no jurisdiction has less than one vote
30 point.

31 (II) Disregarding any fractional vote points and adding just the
32 whole vote points, if the total vote points is 100, fractional vote
33 points shall be dropped and the whole numbers shall be the vote
34 points for each jurisdiction.

35 (III) If, after disregarding the fractional vote points and adding
36 just the whole vote points, the total vote points for all jurisdictions
37 is less than 100, the difference in vote points shall be allocated to
38 jurisdictions in order of the highest fractions until a total of 100
39 vote points are allocated, excepting those jurisdictions whose vote
40 was increased to one pursuant to subclause (I).

1 (IV) If, after disregarding the fractional vote points and adding
2 just the whole vote points, the total vote points for all jurisdictions
3 is more than 100, the vote points in excess of 100 shall be
4 eliminated by subtracting vote points from jurisdictions with the
5 lowest percentage to the total population or the region except that
6 no jurisdiction's vote points shall be reduced to less than one.

7 (C) When a weighted vote is taken on any item that requires
8 more than a majority vote of the board, it shall also require the
9 same supermajority percentage of the weighted vote.

10 (D) The allocation of vote points pursuant to this subdivision
11 shall be made annually by the board of directors based upon the
12 population calculations made by the San Diego Association of
13 Governments (SANDAG).

14 (E) Any other newly incorporated city shall be added to the
15 jurisdiction designated by SANDAG. The board member
16 representing that jurisdiction shall receive one additional vote
17 under the weighted vote procedure specified above until the next
18 allocation of vote points pursuant to subparagraph (D), at which
19 time the new jurisdiction shall receive votes in accordance with
20 the formula specified in this paragraph. Until this next vote points
21 allocation, the total number of weighted vote points may exceed
22 100.

23 (e) Any act to submit a ballot measure to the voters at a regular
24 or special election shall require a two-thirds majority vote, both
25 numerically and by weighted vote, of the total voting membership
26 of the board of directors.

27 (f) The board of directors shall keep a record of all of its actions,
28 including financial transactions.

29 (g) The board of directors shall adopt rules or bylaws for its
30 proceedings.

31 (h) The board of directors shall adopt policies for the operation
32 of the authority, including, but not limited to, ethical standards
33 and practices, administrative policies, fiscal policies, personnel
34 policies, and purchasing policies.

35 SEC. 8. Section 170018 of the Public Utilities Code is amended
36 to read:

37 170018. (a) The audit committee formed pursuant to
38 subdivision (e) of Section 170013 shall be a standing committee
39 of the board of directors. Each member of the committee shall be

1 a voting member. The public members shall be appointed by the
2 board of directors for staggered three-year terms.

3 (b) The board of directors shall select the three public members
4 from among the following categories of persons, with no more
5 than one appointee from each category at any one time:

6 (1) A professional with experience in the field of public finance
7 and budgeting.

8 (2) An architect or civil engineer licensed to practice in this
9 state.

10 (3) A professional with experience in the field of real estate or
11 land economics.

12 (4) A person with experience in managing construction of
13 large-scale public works projects.

14 (5) A person with public or private sector executive level
15 decisionmaking experience.

16 (6) A person who resides within the airport influence area of
17 the San Diego International Airport (Lindbergh Field).

18 (7) A person with experience in environmental justice as it
19 pertains to land use.

20 (c) The board of directors may appoint other persons to serve
21 as nonvoting, noncompensated, ex officio members on the Audit
22 Committee.

23 (d) In appointing the public members of the Audit Committee,
24 the board of directors shall provide for selection policies,
25 appointment procedures, conflict-of-interest policies,
26 length-of-term policies, and policies for providing compensation,
27 if any.

28 (e) The Audit Committee shall serve as a guardian of the public
29 trust, acting independently and charged with oversight
30 responsibilities for reviewing the authority's internal controls,
31 financial reporting obligations, operating efficiencies, ethical
32 behavior, and regular attention to cashflows, capital expenditures,
33 regulatory compliance, and operations.

34 (f) The Audit Committee shall meet a minimum of four times
35 per year and shall, at a minimum, do all the following:

36 (1) Regularly review the authority's accounting, audit, and
37 performance monitoring processes.

38 (2) At the time of contract renewal, recommend to the
39 appropriate committee and the board of directors its nomination
40 for an external auditor and the compensation of that auditor, and

1 consider at least every three years, whether there should be a
2 rotation of the audit firm or the lead audit partner to ensure
3 continuing auditor independence.

4 (3) Advise the appropriate committee and the board of directors
5 regarding the selection of the auditor.

6 (4) Be responsible for oversight and monitoring of internal and
7 external audit functions, and monitoring performance of, and
8 internal compliance with, authority policies and procedures.

9 (5) Be responsible for overseeing the annual audit by the external
10 auditors and any internal audits.

11 (6) Make recommendations to the full board regarding
12 paragraphs (1) to (5), inclusive.

13 (g) An affirmative vote by at least five members of the Audit
14 Committee shall be required for approval of the annual internal
15 and external audits, including performance monitoring, the
16 auditor's annual audit plan for each fiscal year submitted to the
17 board for approval, and actions recommending or approving debt
18 financing for the authority.

19 SEC. 9. Section 170024 of the Public Utilities Code is amended
20 to read:

21 170024. (a) Upon request of the board of directors of the
22 authority, and with the consent of any labor organization acting
23 as the exclusive representative of employees of the authority whose
24 rights are governed by a collective bargaining agreement, the board
25 may enter into a contract to enroll those employees as members
26 of the California Public Employees' Retirement System (CalPERS)
27 or another retirement system.

28 (b) A contract to enroll employees in CalPERS shall be subject
29 to the provisions of Part 3 (commencing with Section 20000) of
30 Division 5 of Title 2 of the Government Code and, where permitted
31 by the law governing that system, shall receive full reciprocity
32 with public employees' retirement systems in which they
33 previously participated.

34 (c) Employees transferred from any existing retirement system
35 or pension plan to CalPERS or any other retirement system by
36 operation of this section shall receive benefits immediately after
37 enrollment in, or transfer to, the system that are equal to the
38 benefits the employees would have been entitled to immediately
39 before enrollment in, or transfer to, the system.

1 SEC. 10. Section 170048 of the Public Utilities Code is
2 amended to read:

3 170048. (a) The authority has exclusive responsibility to study,
4 plan, and implement any improvements, expansion, or
5 enhancements at San Diego International Airport.

6 (b) The authority may commission planning, engineering,
7 economic, and other studies to provide information to the board
8 for making decisions about the location, design, management, and
9 other features of future airports.

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

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

18 (e) The authority may adopt a comprehensive plan on the future
19 development of San Diego’s regional international airport.

20 SEC. 11. Section 170056 of the Public Utilities Code is
21 amended to read:

22 170056. The port shall transfer all title and ownership of the
23 San Diego International Airport to the authority consistent with
24 the terms of the transfer under Section 170060 and shall include,
25 but need not be limited to, all of the following:

26 (a) All interest in real property and improvements, including,
27 but not limited to, all terminals, runways, taxiways, aprons,
28 hangars, Runway Protection Zones (RPZ), Airport Influence Areas
29 (AIA), emergency vehicles or facilities, parking facilities for
30 passengers and employees, above and below ground utility lines
31 and connections, easements, rights-of-way, other rights for the use
32 of property necessary or convenient to the use of airport properties,
33 and buildings and facilities used to operate, maintain, and manage
34 the airport which is consistent with the Airport Layout Plan (ALP)
35 dated September 13, 2000, and identified as Drawing No. 724 on
36 file with the clerk of the port, subject to paragraphs (1), (2), and
37 (3).

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

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

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

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

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

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

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

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

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

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

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

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

1 (A) Airport employee parking lot located at Harbor Island Drive
2 and Harbor Island Drive East identified as District Parcel No.
3 007-020.

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

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

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

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

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

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

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

27 (I) Property leased to Budget Rent A Car of San Diego located
28 at both the northeast and southwest corners of Palm Street and
29 Pacific Highway identified as District Parcel No. 016-001 (Parcel
30 1 and 2).

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

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

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

1 (M) Property leased to Ace Parking Management, Incorporated,
2 located north of the intersection of Sassafras Street and Pacific
3 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 revenues
11 and fees generated from the operations of the airport, including,
12 but not limited to, bonded indebtedness associated with the airport.
13 The authority shall assume obligations issued or incurred by the
14 port for San Diego International Airport, including, but not limited
15 to, any long-term debt, grants, and grant assurances.

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

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

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

36 (1) The rent shall be paid monthly in arrears and the annual rent
37 shall be level based on the fair market value of the property as of
38 January 1, 2006, and a market rate of return on that date.

39 (2) The authority shall lease to the port at the same fair market
40 value per square foot a total of not to exceed 250 parking spaces

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

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

17 SEC. 12. Section 170060 of the Public Utilities Code is
18 amended to read:

19 170060. (a) The port shall retain trusteeship of lands
20 underlying the airport consistent with the State Lands
21 Commission's requirement and shall execute a 66-year lease with
22 the authority for control of the airport property. The authority shall
23 pay one dollar (\$1) per year during the term of the lease, or until
24 that time as airport operations controlled by the authority cease to
25 exist on the property. At that time, the lease shall terminate and
26 control of the property shall revert to the port.

27 (b) (1) The port may continue or enter into contracts,
28 memorandums of understanding, or other agreements necessary
29 to fulfill its responsibilities as trustee of the lands underlying the
30 airport or adjacent lands under its control, or acquire additional
31 lands within its jurisdiction consistent with its duties and pursuant
32 to Division 6 (commencing with Section 6001) of the Public
33 Resources Code.

34 (2) (A) The port shall act as lead agency to certify any studies,
35 reports, or other documents necessary to fulfill its obligations as
36 trustee of the lands described in paragraph (1).

37 (B) Notwithstanding subparagraph (A) or any other provision
38 of law, until the date that the port transfers the airport to the
39 authority, the port and the authority, without the necessity of the
40 giving of any notice, filing of any documents, or the taking of any

1 other action, shall serve jointly as the lead agencies for the purposes
2 of the California Environmental Quality Act (Division 13
3 (commencing with Section 21000) of the Public Resources Code)
4 and regulations adopted thereto, including, but not limited to, the
5 filing of notices of exemption, initial studies, negative declarations,
6 and environmental impact reports. On and after the transfer date,
7 the authority, without the necessity of the giving of any notice,
8 filing of any documents, or the taking of any other action, is the
9 sole lead agency for any documents for which an initial study has
10 been commenced pursuant to Section 15063 of Title 14 of the
11 California Code of Regulations or for which a notice of preparation
12 has been issued pursuant to Section 15082 of Title 14 of the
13 California Code of Regulations, regardless of whether or not a
14 notice of determination has been issued or a notice of completion
15 has been issued.

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

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

28 (c) The authority shall be responsible for making any necessary
29 application to the California Coastal Commission pursuant to the
30 California Coastal Act of 1976 (Division 20 (commencing with
31 Section 30000) of the Public Resources Code) and to other agencies
32 in accordance with other applicable laws in effect on the effective
33 date of the act that added this section for improvements upon
34 coastal lands under the control of the authority through a lease.
35 The port shall assist in the application for those projects as the
36 trustee of the lands and shall not impede any improvements sought
37 in the fulfillment of the authority's duties. The authority shall be
38 responsible for all applications, requests, or submittals to other
39 governmental agencies for approvals, permits, authorizations or
40 agreements of any kind affecting or relating to the property

1 governed by the lease, and the port shall cooperate in completion
2 of all documents in the form submitted or approved by the authority
3 without modification, providing the documents are requested by
4 the authority, or required by any other governmental agencies, or
5 both.

6 SEC. 13. Section 170062 of the Public Utilities Code is
7 amended to read:

8 170062. (a) The authority may, in its sole discretion, from
9 time to time, enter into agreements with the port for services
10 including, but not limited to, operations, maintenance, and
11 purchasing, as the authority may find necessary or beneficial to
12 facilitate the operation of San Diego International Airport.

13 (b) The authority shall have no obligation to purchase or procure
14 any services, facilities, or equipment from or through the port. At
15 no time shall the authority be obligated to purchase auditing, public
16 affairs, and governmental relations, strategic planning, legal, or
17 board support services from the port. However, the authority may
18 elect to obtain these services and support in agreement with the
19 port.

20 (c) Performance of all these services shall be subject to the
21 direction and control of the authority, and shall be provided in
22 accordance with specifications, policies, and procedures as
23 communicated by the authority to the port from time to time. In
24 all cases, the port shall provide services of sufficient quality,
25 quantity, reliability, and timeliness to ensure that the authority can
26 continue the operation, maintenance, planning and improvement
27 of and for San Diego International Airport consistent with the
28 standards and practices under which the airport is operated on the
29 effective date of the act that added this subparagraph or higher
30 standards as the authority may adopt, or as may be required in the
31 authority's judgment to meet the requirements of federal or state
32 law, or the needs of the users of the airport for the safe, secure,
33 and efficient operation of the airport. The authority also, from time
34 to time, may establish performance standards for and may conduct
35 financial or performance audits, or both, of all services provided
36 by the port and all charges or claims for payment for the services
37 provided.

38 (d) Services provided by the Harbor Police shall in no event be
39 of less quality than the standard established for airport police
40 services by the three other largest airports, based on annual

1 passengers, in this state. The port shall cooperate fully, at its own
2 cost, in any financial or performance audit, or both, conducted by,
3 or on behalf of, the authority or by any government agency having
4 jurisdiction.

5 (e) The authority shall reimburse the port for the actual and
6 reasonable direct costs, including, but not limited to, an appropriate
7 allocation of general and administrative expenses associated with
8 the provision of that service, incurred by the port to deliver services
9 actually provided to the authority in accordance with the standards
10 and requirements described in this section. The port shall request
11 payment for services on a monthly basis. Those requests shall
12 provide details regarding each service or element thereof for which
13 payment is requested as the authority reasonably may request. The
14 authority shall have the right to review and approve any request
15 for payment for those services. Payment shall be due and payable
16 30 days after the request provided all necessary supporting
17 documentation is received by the authority.

18 (f) The San Diego Harbor Police Department shall remain under
19 the jurisdiction of the San Diego Unified Port District, and
20 employees shall incur no loss of employment or reduction in wages,
21 health and welfare benefits, seniority, retirement benefits or
22 contributions made to retirement plans, or other terms and
23 conditions of employment as a result of enactment of this division.
24 The San Diego Harbor Police Department shall have the exclusive
25 contract for law enforcement services at San Diego International
26 Airport during that time as the airport continues to operate at ~~the~~
27 Lindbergh Field, and peace officers of the Harbor Police shall
28 remain employees of the port.

29 SEC. 14. Section 170064 of the Public Utilities Code is
30 amended to read:

31 170064. (a) From revenues in accounts attributable to airport
32 operations, the port shall fund the authority for not less than one
33 million dollars (\$1,000,000) each year until that time as the transfer
34 of the airport and all associated revenue sources have been
35 completed between the port and the authority. The authority's
36 board may submit a budget request for more than this amount if
37 necessary to carry out its duties. The port shall approve those
38 budget requests in a timely manner without modification or
39 reduction. The authority shall report its total budget expenditure
40 amount to the port on an annual basis and balance or carryover

1 reserves from previous budgets. The funding provided by this
2 subdivision replaces any loans made to the authority by the port
3 under the former provisions set forth in this subdivision requiring
4 the port to loan the authority the sum of one million dollars
5 (\$1,000,000).

6 (b) Upon the completion of the transfer of San Diego
7 International Airport to the authority, the authority shall assume
8 all revenue stream revenues to fund its activities, operations, and
9 investments consistent with its purposes. The sources of revenue
10 available to the authority may include, but are not limited to,
11 imposing fees, rents, or other charges for facilities, services, the
12 repayment of bonded indebtedness, and other expenditures
13 consistent with the purposes of the authority.

14 (c) To the extent practicable, the authority shall endeavor to
15 maximize the revenues generated from enterprises located on the
16 property of the authority.

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

20 SEC. 15. If the Commission on State Mandates determines
21 that this act contains costs mandated by the state, reimbursement
22 to local agencies and school districts for those costs shall be made
23 pursuant to Part 7 (commencing with Section 17500) of Division
24 4 of Title 2 of the Government Code.