

**Agenda Item 4.d**

**MINUTES  
SAN DIEGO CONVENTION CENTER CORPORATION  
THE BOARD OF DIRECTORS**

**BOARD MEETING OF APRIL 30, 2010**

**BOARD MEMBERS PRESENT:** Chair Bob Nelson, Vice-Chair Alexis Gutierrez and Directors Nikki Clay, Chris Cramer, Phil Blair, Nico Ferraro, Mick Musella and Bruce Goodwin

**BOARD MEMBERS ABSENT:** Cheryl Kendrick

**STAFF PRESENT:** Carol Wallace, Theresa McAteer, Brad Gessner, Mark Emch, Steven Johnson, Tom Mazzocco, Sandra Moreno, Andy Mikschl, John Vingas, Nancy Murgillo, Stephanie Chen, Ben Calmes and Pat Evans (Recorder)

**ALSO PRESENT:** N/A

**1. CALL TO ORDER**

Vice-Chair Alexis Gutierrez called the meeting to order at 8:40 a.m. in the Executive Boardroom of the San Diego Convention Center Corporation, San Diego, California.

Vice-Chair Gutierrez introduced new Board Members, Nico Ferraro and Bruce Goodwin, the Ex Officio HMA Representative.

**2. COMMENTS FROM THE AUDIENCE – None**

**3. PRESENTATIONS**

**a. Employees of the Month**

**Kathryn Larwin, CSSR, (February) was presented by Laurie Peters, Convention Services Manager**

**Jeff Pinkley, Senior Event Manager (March) was presented by Ron King, Director of Event Services**

**Annie Barrueta, Guest Services Scheduling Coordinator (April) was presented by Debbie Timan, Security/Guest Services Manager**

- b. **“Skip” Jurrus, Guest Services Representative, was recognized as the 2010 HSMAI’s James V. Cunningham Award Recipient**
- c. **Former SDCCC Board Director Duke Sobek was presented with a commemorative from the Corporation in recognition of his years of Board service.**
- d. **Peter Barron Stark of Peter Barron Stark and Associates, presented the results of the SDCCC 2010 Employee Survey.**

**4. ACTION ITEMS**

After completion of the Presentations, Chair Nelson called for discussion and vote on Action Items (4.a), (4.b), (4.d) and (4.e.) Chair Nelson noted that attendant documentation, as set forth below, had been previously submitted to the Board for review:

- (4.a) - Proposed Minutes from Board Meetings of January 29, February 26 and March 11, 2010,
- (4.b) - Memorandum from Carol Wallace dated April 30, 2010,
- (4.d) - Memorandum from Mark Emch dated April 30, 2010, and
- (4.e) – Memorandum from Mark Emch dated April 30, 2010.

Director Cramer requested that the Board Minutes from the January 29, 2010 meeting be corrected to reflect he was absent from the proceedings. After determining there were no further questions or discussion, Chair Nelson called for a consolidated vote for approval of the following items:

**(4.a) Approval of minutes of Board Meeting of January 29, 2010 and Special Board Meeting Minutes of February 26, 2010, March 11, 2010, and March 23, 2010.**

**(4.b) Authorization to Award a Contract for Elevator and Escalator Maintenance Services**

**(4.d) Authorization to Place Property, General & Umbrella, Workers’ Compensation and Director’s & Officer’s Insurance through the Brokerage Services of Marsh McLennan Companies, Inc. Insurance**

**(4.e) Approval of Five Year Projection Fiscal Years 2011 – 2015**

**Directors Clay and Blair moved and seconded, respectively, to approve items (4.a), (4.b), (4.d) and (4.e). Vote:**

**AYES: 6**

**NAYS: 0**

**c. Discussion on Policy Regarding Unrestricted Reserved and Short-Term Borrowing**

Chair Nelson requested that the Board consider whether the Corporation should formulate a policy regarding short-term borrowing in relation to the Corporation's unrestricted net reserves. Chair Nelson provided an overview of the Corporation's current practices regarding their unrestricted net reserves and the Directors discussed various scenarios for determining the allocation/preservation of current and future reserves. After discussion, the Directors elected not to bring a motion on the issue at this time and no vote was taken.

**f. Amendment to Dealy Development Contract**

Carol Wallace, President & CEO, presented a Memorandum that detailed Dealy Development, Inc.'s ("Dealy") retention for project management services in association with the due diligence phase of the proposed expansion of the Convention Center. Dealy was paid a total of \$184,120 for said services.

Dealy was subsequently retained to advise and manage the negotiation and acquisition of the Leasehold from Fifth Avenue Landing and the San Diego Unified Port District. Through March, 2010, the Corporation incurred fees from Dealy in the amount of \$36,595 for services related to the Leasehold acquisition. Staff recommends approval of the Amendment to the Dealy Contract authorizing payment in the amount of \$36,595 for an amended not-to-exceed contract value of \$220,715.

**Directors Blair and Gutierrez moved and seconded, respectively, authorization to increase Dealy Development, Inc.'s Contract (No. 09-1515-E) by \$36,595 to an amended not-to-exceed contract value of \$220,715. Vote:**

**AYES: 6**

**NAYS: 0**

**5. REPORTS** (Reports/Meeting Minutes presented are for informational purposes only and will not be discussed unless a Board Member or member of the public specifically requests to be heard on a Report.)

**a. San Diego Theatres** – An inquiry was raised regarding the fiscal health of the Balboa Theatre. Chair Nelson explained the history of the Theatre and its current cash flow issues. Chair Nelson further indicated he would extend an invitation to Don Telford, SDT President & CEO, to give a report on the current status of the Civic and Balboa Theatres at a future Board Meeting.

**b. OSP**

**c. Audit Committee**

**d. Sales & Marketing**

**e. Pension**

**f. President's Report**

Carol Wallace directed the Board to the written President's Report submitted with the Board Packet and highlighted the following items:

- Due to the efforts of Brad Gessner, General Manager, and his team, the Corporation was presented with an award from the City of San Diego as the 2010 Recycler of the year.
- Brad Gessner has become an industry environmental expert and serves as the Chairperson of the Airport Authority Sustainability Committee. Mr. Gessner has also given presentations to AIPC and IAAM and he is spearheading the Corporation's efforts to obtain a LEED certification for existing structures.

**g. Chair's Report**

Chair Nelson reported that an extremely productive relationship is continuing to develop with the principals in the Expansion process and highlighted the following information regarding "next steps":

- The Agreement with Fifth Avenue Landing has been executed;
- The Mayor has named a Civic Leadership Team and appointed Cheryl Kendrick and Steve Cushman to lead the Center Expansion component of the Team;
- Chair Nelson has requested that three SDCCC representatives serve on the Expansion Project Planning Committee;
- The Mayor has appointed Steve Cushman as a Special Volunteer Assistant to the Mayor for Convention Center Expansion;
- The SDCCC Expansion Team will also include Carol Wallace, Job Nelson, and a Senior Port Representative, and two project consultants; and
- RFQs for a Project Management Consultant and Project Design Consultant are in process. Ms. Wallace will make recommendations for those positions after the RFQ process is complete.

Except as noted herein, all other Committee Reports/Minutes were accepted as submitted.

**6. URGENT NON-AGENDA ITEMS (must meet the requirements of Government Code, Section 54954.2) – None**

**7. BOARD COMMENTS – Ms. Wallace reported that the Board of Comic Con has not made a decision regarding which venue will be hosting the event after 2012. Directors congratulated staff on the improvements noted in the 2010 Employee survey. The Sales & Marketing Committee Meeting scheduled for June 9, 2010 will not be a teleconference and will instead convene in the Executive Boardroom.**

**8. Closed Session: At 10:40 a.m., the meeting entered into closed session to discuss:**

**a. Conference with Legal Counsel – Existing Litigation [Govt. Code § 54956.9(8)]**

United National Maintenance, Inc. V. SDCCC – Case No. 07-CV-2172 BEN  
U.S. District Court, Southern District, California

**b. Conference with Legal Counsel – Anticipated Litigation [Govt. Code §54956.9 (b)]**

Significant exposure to litigation [§5456.9(b)] - One potential case

**c. Conference with Real Property Negotiator [Govt. Code § 54956.8]**

Property: Approximately 221,000 square feet of tideland area leased to Fifth Avenue Landing, LLC; approximately 86,000 square feet of land comprising the northerly portion of the tideland area and the adjacent District-owned roadway, all bayward of the San Diego Convention Center.

Negotiating Parties: Carol Wallace, President & CEO  
San Diego Convention Center Corporation

Unified Port of San Diego

Under Negotiation: Instruction to Negotiator will concern price and terms of payment.

The meeting resumed open session at 10:47 a.m.

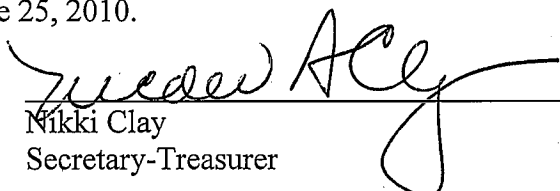
**9. Disclosure [Govt. Code § 54957.7(b)]**

In the Closed Session of the SDCCC Board of Directors Meeting of March 23, 2010, the Board of Directors authorized the Corporation's CEO to enter into an Amended, Restated and Combined Lease with the Port District, for certain land currently being leased to Fifth Avenue Landing, LLC. At its meeting of April 6, 2010, the Board of Commissioners of the Port District approved the Lease. Pursuant to the Brown Act, this Board's agreement to the terms of that Lease is now disclosed. The Lease is available upon request either from the Corporation or from the Port District.

There being no further business, the meeting adjourned at 10:52 a.m.

**CERTIFICATION**

I, Nikki Clay, Secretary-Treasurer of the Board of Directors of the San Diego Convention Center Corporation, Inc. do hereby certify that the foregoing is a true and correct copy of the minutes of the business transacted by the Board of Directors of the San Diego Convention Center Corporation, Inc. at a duly noticed meeting held on April 30, 2010 and that said minutes were approved by the Board of Directors on June 25, 2010.

  
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Nikki Clay  
Secretary-Treasurer