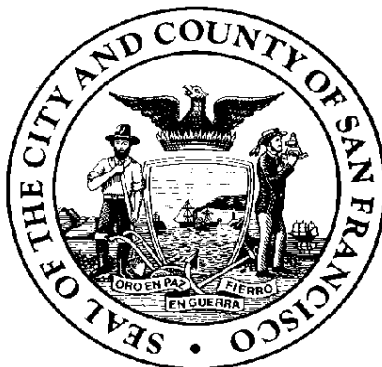


SAN FRANCISCO AIRPORT COMMISSION



MINUTES

March 6, 2012

9:00 A.M.

**Room 400 - City Hall
#1 Dr. Carlton B. Goodlett Place
(400 Van Ness Avenue)
City and County of San Francisco**

EDWIN M. LEE, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

LINDA S. CRAYTON

Vice President

ELEANOR JOHNS

RICHARD J. GUGGENHIME

PETER A. STERN

JOHN L. MARTIN

Airport Director

**SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128**

Minutes of the Airport Commission Meeting of
March 6, 2012

CALENDAR AGENDA			RESOLUTION	
SECTION	ITEM	TITLE	NUMBER	PAGE
A.		CALL TO ORDER:		3
B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of February 21, 2012	12-0042	3
D.		ITEMS INITIATED BY COMMISSIONERS:		3
E.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE;		
	1.	Amendment No. 1 to Contract 8792D, Runway Safety Area Reimbursable Agreement with FAA	12-0043	3-4
	2.	Reimbursable Agreement with FAA for Contract 9141, Runway Status Lights System	12-0044	4-5
	3.	SFO-Presidio Trust Funding Agreement - Purchase Wetland Creation Acreage to Provide Compensatory Wetlands Mitigation for RSA Program		5
	4.	Commence RFP Process for the Terminal 3 Common Use Club Lease	12-0045	5-6
F.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		
	5.	Purchase 14 CNG Buses from Mineta San Jose International Airport and Upgrade SFO's Existing Bus Fleet Communications & Monitoring Systems	12-0046	7
	6.	Award Contract 8976 - Terminal 3 Hub Food Court Expansion - L.C. General Engineering & Construction Inc.	12-0047	8
G.		NEW BUSINESS:		8
H.		CORRESPONDENCE:		8
I.		CLOSED SESSION:		8
J.		ADJOURNMENT:		8

AIRPORT COMMISSION MEETING MINUTES
March 6, 2012

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

* * *

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Eleanor Johns
Hon. Richard J. Guggenhime
Hon. Peter A. Stern

Absent: Hon. Linda S. Crayton, Vice President

* * *

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of February 21, 2012 were adopted unanimously.

No. 12-0042

* * *

D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

* * *

E. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 1 was moved by Commissioner Johns and seconded by Commissioner Guggenhime. The vote to approve was unanimous.

1. Amendment No. 1 to Contract 8792D, Runway Safety Area (RSA) Reimbursable Agreement with the FAA - \$1,487,913.33

No. 12-0043 Resolution authorizing Amendment No. 1 to Contract 8792D, Runway Safety Area (RSA) Reimbursable Agreement, with the FAA in the amount of \$1,487,913.33 for support with the navigational aids system scope of work.

Mr. Ivar Satero, Deputy Director, Design and Construction said that this item

authorizes the Airport to modify the Reimbursement Agreement with the FAA in order to provide for FAA design and construction expertise and support for the nav aids design work of the Airport's Runway Safety Areas (RSA) Program, in an amount of almost \$1,488,000.

The Airport is well underway with the RSA program and has successfully completed the Environmental Assessment work with the support of the FAA under the original Reimbursement Agreement. Amendment No. 1 provides for the next phase of services required from the FAA for design and construction support of the navigational aid systems of Runways 10-28s.

Under this Amendment, the FAA will provide specialty equipment, construction oversight and certification of the navigation systems for the two 10-28s. Staff has negotiated the scope and fees to support this work, as it continues to negotiate the Federal funding component of the RSA program, currently estimated at 65%.

Following the successful implementation of the RSA Program, Runways 10-28 scopes of work, Staff anticipates returning to the Commission with a second amendment to provide for similar support for the Runways 1-19 scopes of work.

All costs are currently budgeted as part of the overall \$212 million RSA Program budget.

Item No. 2 was moved by Commissioner Guggenheimer and seconded by Commissioner Stern. The vote to approve was unanimous.

2. Reimbursable Agreement with the FAA for Contract 9141 - Runway Status Lights System (RWSL) - \$1,800,000

No. 12-0044

Resolution authorizing the Director to enter into an Agreement with the FAA for Contract 9141, Runway Status Lights System Reimbursable Agreement, for reimbursement of design and construction costs in an amount not to exceed \$1,800,000.

Mr. Satero said that this item provides authorization for the Airport to enter into a Reimbursement Agreement with the FAA in order to receive partial funding of the Runway Status Lights System (RWSL) program in the amount of \$1.8 million.

The Airport considers the FAA's RWSL program critical to SFO for improving on airfield safety and reducing runway incursions. The program provides for installation of stop-go colored lighting at taxiway thresholds to warn pilots and vehicle operators of runways in use, or when clearances have been granted for the entering or crossing of runways. This will help ensure that radio communications are properly understood between Tower and pilot by providing visible cues on the airfield.

The lighting systems will be installed on six runways, at 32 locations. Both the FAA and Airport agree that the remaining two runways, 19L/19R, do not need this system as they account for a very small percentage of the total arrivals and departures.

This program is being implemented concurrently with the Airport's Runway Safety Areas program due to the work being within the project areas of the RSAs, and the opportunity of installing the conduit and electrical boxes with the RSA work during the closures which are already required to support RSAs. Therefore, there is no additional operational impact resulting from the RWSL program.

Following installation of all infrastructure for the RWSL program in 2014, the FAA will install the equipment and programs to make the system operational. It is anticipated that this system will become operational by, if not before, the opening of the new Air Traffic Control Tower in late 2015.

The total estimated cost of the infrastructure work for RWSLs is \$9.5 million. Although SFO's is not of the highest priority to the ATO division of the FAA, the FAA has committed this \$1.8 million to support this project. SFO is agreeable to funding the remaining amount of \$7.7 million in order to implement this safety system as quickly as possible. The FAA will fund the amounts for the equipment and software, and will be responsible for installation and maintaining the system.

Item No. 3 was removed from the calendar without discussion.

3. SFO-Presidio Trust Funding Agreement to Purchase Wetland Creation Acreage to Provide Compensatory Wetlands Mitigation for the RSA Program

Resolution authorizing a Funding Agreement with the Presidio Trust to purchase 7.4 acres of wetland creation acreage and 0.4 acre of wetland enhancement at the Presidio as compensatory wetlands mitigation for the Runway Safety Area Program.

Item No. 4 was moved by Commissioner Stern and seconded by Commissioner Guggenheimer. The vote to approve was unanimous.

4. Commence Request for Proposal Process for Terminal 3 Common Use Club Lease

No. 12-0045

Resolution approving the proposed minimum qualifications requirements and lease specifications, and authorizing staff to issue a Request for Proposals and conduct an informational conference for the Terminal 3 Common Use Club Lease.

Mr. Leo Fermin, Deputy Director, Business and Finance said that Common Use Clubs are found in many airports around the world. These are clubs or lounges are not operated by an airline, but rather by a third party under a lease with the airport. These Common Use Clubs sell memberships, either on an annual or per-use basis, and usually contract directly with airlines to accommodate their passengers.

This is a new concept for us. We did look into this a number of years ago but at the

time were unable to find the necessary space. We've since identified potential space post-security at the end of Terminal 3 near the secure connector leading to the International Terminal Boarding Area G, on the Mezzanine level near Gates 74 and 75. It's a good location that can reach both domestic and international passengers, and passengers transferring from domestic to international flights.

The resolution approves the proposed minimum qualifications and lease specifications, issuance of an RFP and conducting an informational conference.

Commissioner Johns said wondered about the membership cost, how they are solicited, and how many other airports ... major ones like us have them?

Mr. Fermin replied that there's a company called Number One Traveller that operates clubs at Heathrow, JFK and others. There's another company called Great Cliff that operates in Nassau in the Bahamas, and Nashville Airport in Tennessee. There's a company called Airport Lounge Development that operates at Raleigh Durham Airport. Priority Travel Group operates a lounge at DFW and they're planning on going into Atlanta and Las Vegas. Club America operates in Miami. Prime Class operates the Istanbul Lounge. Plaza Operators operate Hong Kong, Beijing and YVR Vancouver Lounge. There's another operator in Madrid and one in at the Lima Airport. There are a number all over the world.

Commissioner Johns asked what's the average cost in the states.

Mr. Fermin replied that he didn't know but would get the information.

Commissioner Johns was curious about the private club part.

Mr. Fermin said that's part of the proposal process. We'll see what they propose in terms of their performance projections. What they anticipate their revenues will be, and what they plan to charge for memberships in the club. They certainly have to tell us all of that as part of their proposal. I'm very curious to see what and how.

Commissioner Mazzola thought that the President of the Board should visit 10 or 12.

Commissioner Guggenhime said I've used priority clubs in Europe and they're good for people who don't have access to United or American or whatever airline your flying. They charge an annual fee or an entry fee. It's great ... just like going to a lounge. It's a minimal charge ... maybe 10% of what it costs to join the Admirals Club or the United Club on an annual basis. Maybe 5% for a one time visit. So, for people who travel a lot it makes a lot of sense.

Commissioner Guggenhime said that there is that community element with other partner airports as well, so you have some sort of consistency with other operators.

* * *

F. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

The Consent Calendar, Item Nos. 5 and 6, was moved by Commissioner Guggenhime

and seconded by Commissioner Stern. The vote to approve was unanimous.

5. Authorization to Purchase 14 Compressed Natural Gas (CNG) Buses from Mineta San Jose International Airport and Upgrade SFO's Existing Bus Fleet Communications and Monitoring Systems - Not to Exceed \$4,000,000

No. 12-0046

Resolution authorizing a sole source waiver to purchase 14 CNG buses from Mineta San Jose International Airport and upgrade SFO's existing bus fleet communications and monitoring systems in an amount not to exceed \$4,000,000.

Commissioner Johns asked why we decided to purchase all 14. Did we have to? Is there cost advantage. The 100,000 miles per bus sounds pretty good. I'm just wondering about the outright buy as opposed to leasing and having all of them being 2008s. The staggered thing seems to be the issue.

Mr. Jeff Littlefield, Deputy Airport Director, Operations and Security said San Jose had these buses available. They didn't have a demand for them due to construction that had taken place, the movement of some parking lots, and a decrease in business at San Jose. This was an opportunity for us, as we saw our buses coming to an end of their useful life, to capitalize on what amounts to a pretty good deal. They ended their lease, we wanted to make a purchase, and that's what we wanted to pursue.

Commissioner Johns said that my issue specifically is that we're buying 14 buses that are all 2008s. It seemed like we have a lot of buses that were all the same year and we needed to get rid of them. It seems like you'd want to be on a more staggered basis. Did we have to buy all 14, or did we want to buy them?

Mr. Littlefield replied well it's a combination of both. Twelve of our buses were at the end of their useful life ... they were diesel buses. Of the 23 buses that we have, 12 are diesel and 11 are CNG. These buses became available at a cost of \$250,000 a piece as opposed to perhaps \$500,000 each. We thought this would be an excellent opportunity to acquire these buses, especially because they were CNG.

Commissioner Mazzola asked if they were leased from Penske Truck Leasing. The problem is that they were paying for the lease and they want to get out of it.

Mr. Littlefield said that we are going to outright purchase the buses. They are discontinuing the lease with Penske.

Commissioner Guggenhime said that economically it's a pretty good deal because these buses cost substantially more and they are three or four years old. Correct?

Mr. Littlefield said that we sent our mechanics to take a look at them and they were deemed to be in very good shape. We also did a financial analysis to ensure that the purchase price that we agreed upon, and actually negotiated down from a higher price, was in our favor.

6. Award Contract 8976 - Terminal 3 Hub Food Court Expansion - L.C. General Engineering & Construction Inc. - \$410,500

No. 12-0047

Resolution awarding Contract 8976, Terminal 3 Hub Food Court Expansion, to the lowest responsive, responsible bidder, L.C. General Engineering & Construction Inc. in the amount of \$410,500.

* * *

G. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

There were no requests from the public to speak.

* * *

H. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

I. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act Sections 54954.2(b)(2) and 54954.5 and Sunshine Ordinance Section 67.11.

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under Brown Act Section 54957.1 and Sunshine Ordinance Section 67.12.

* * *

J. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.

Jean Caramatti
Commission Secretary