

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

Tuesday, April 2, 2019

9:00 A.M.

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

LONDON N. BREED, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President

LINDA S. CRAYTON
Vice President

ELEANOR JOHNS
RICHARD J. GUGGENHIME
MALCOLM YEUNG

IVAR C. SATERO
Airport Director

C. CORINA MONZÓN
Commission Secretary

SAN FRANCISCO INTERNATIONAL AIRPORT
SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of
Tuesday, April 2, 2019

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Minutes of the Airport Commission Meeting of
Tuesday, April 2, 2019

A. CALL TO ORDER:

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

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B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Malcolm Yeung

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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 19, 2019 were adopted unanimously upon a motion by Commissioner Crayton and a second by Commissioner Guggenlime.

No. 19-0066. Regular meeting of **March 19, 2019.**

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D. SPECIAL ITEMS:

Item No. 1 was approved unanimously by a motion by Commissioner Yeung and a second by Commissioner Crayton.

1. Retirement Resolution for Ms. Nanette M. Hendrickson

No. 19-0067. Resolution thanking Ms. Nanette M. Hendrickson for ten years of dedicated service to the City and County of San Francisco.

Mr. Ivar Satero stated, Commissioners, my pleasure to present this resolution this morning to Nanette Hendrickson if I can ask Nanette to come to the podium. Nanette has been with the Airport for 10 years. And part of that leadership team of our food and beverage program. And has done amazing work for us over the years including the re-leasing of the International Terminal recently, getting the Duty Free services contract through the process, through the design and off to into construction. And really instrumental in the writing of the Tenant Improvement Guide that gives all the tenants all of the information they need to be successful in preparing their designs and plans. And I think she will, she

leaves a legacy around our SFO Unites Against Hunger. She was a co-creator of that. And that's, has been so important to the charities that we support. So, we thank Nanette for her many years of service to the Airport and we wish her well on retirement, and we recommend your approval of this resolution.

Commissioner Crayton stated I also want to thank you for your significant contributions to the Airport in terms of the Board. Our concessions program is a model for other airports. The innovative concepts and the inclusion of small businesses and businesses that reflect the identity of San Francisco is exceptional as our Director has said. But I am also so thankful to you for your leadership on the Motivating Volunteer Participation Committee. Like our Airport Director, I am so proud of and grateful for the committee's work. The Free Farmer's Market food distribution program to assist federal workers affected by the government shutdown was outstanding. The Farmer's Market helped 340 federal employees and their families during a time of great need at the Airport. And efforts like the Farmer's Market and SFO Unites Against Hunger truly bring to life the Airport's mission to be an exceptional airport in service to our communities. I attended the SPUR Good Government Awards last month where you and the team were recognized for your nomination by our Airport Director for your work to create the food donation program. It was my honor to be there. And as a token of my appreciation and to congratulate you on your retirement I have a picture from that night that the Director will be presenting to you.

Commissioner Mazzola said alright Nanette, the floor is yours.

Ms. Nanette Hendrickson said thank you so much Ivar, Commissioner Crayton for those fabulous words. I, I'm really moved right now. Thank you all Commissioners. And I want to express my gratitude to the Airport and the City. I came to the Airport kind of late in my career but this has definitely been the highlight. In Revenue Development and Management, we know our business but we are really generalists in many fields. We're not experts in design and construction, marketing, information and technology, security, and we're definitely not attorneys, but we depend on all the people behind us and in front of us to help us get our projects across the line and our tenants moved in to the Airport. I'm very thankful for all of their cooperation. I also like to thank my direct supervisor, Cheryl Nashir who you know very well. She's here every other week with you presenting items. But maybe what you don't see is all the work behind the scenes. It's a difficult job to balance all the needs of the tenants, potential tenants, operations of the Airport, and a department full of strong individuals. But she does it day in and day out with grace and class. And she's been a great leader, and friend, and partner, and I could not have asked for more support of supervisor. Lastly to the City of San Francisco and the Airport Commission, I most grateful for the opportunity to be a productive in my job. A job that I love while still being able to take care of my family. A few years ago I needed to take some time off as my mother was ill. And while that may be law or policy to allow for leaves of absence, it was a letter from Leo Fermin, who's not here today, that assured me that the principles behind family first were more than doctrine that are firmly held beliefs and I

kept that note. I'm very thankful. So to Ivar, an amazing Airport community and Commission, Thank you so much. I am honored to have worked with you and I promise to make the most of this gift of retirement. Thank you.

Commissioner Guggenhime commented I'd like you to come back in a year since I'm thinking of retiring, I want to hear how it goes.

Commissioner Johns said I just want to say it's really important for us to hear what goes on behind the scenes and we know we have a wonderful staff but to hear it expressed in the way you did it sort of reinforces us. So I wish you all the best in your retirement. And thank you for your ten years of service.

Commissioner Mazzola said so I want to state the obvious. You sure don't look like you're old enough to retire.

Commissioner Crayton commented that's right. Tell me the secret.

Commissioner Mazzola said congratulations to you and your career here. We wish you well on retirement.

Ms. Corina Monzón said congratulations Nanette.

* * *

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Crayton stated I just want to say a few weeks ago I had the privilege of attending the Airport's kick-off for Mayor Breed's Opportunities for All initiative. SFO already has a long-standing commitment to internships. For the past 20 years, the Airport has operated one of the most successful internship programs offered by any City department, working with over 1,000 interns, many of whom have continued to work at SFO after their internships. The kick-off event at the Airport was an opportunity to introduce the Mayor's program to all private sector employers at the Airport, including airlines, service providers, concessions, and design and construction contractors. With opportunities for all, the Airport is once again leading the effort to ensure that all young people can be a part of San Francisco's thriving economy. I was so inspired by and proud of our Airport Director, Mr. Ivar Satero for this vision of wanting to make SFO the largest employer of the San Francisco youth. And I think others were inspired by him too. It is my understanding that we received 146 commitments from our business community leaders within the Airport partners to host a summer high school intern. I want to thank Director Satero, Julian Potter, Chief Policy Officer, Emylene Aspilla, Director of Social Responsibility and Community Sustainability, Flynn Bradley, Manager of Employment and Community Development, Bill Wong, Manager of Quality Standards, and ALL the staff from those divisions that worked so hard to put on an inspiring and successful event.

I also want to recognize Doug Yakel, the Airport's Public Information Officer. He was masterful as always on the microphone. His great energy helped to encourage those commitments from our business community partners. And one thing about it, you can't get away from him. He and Ivar did an absolutely wonderful job. The program was just on point. The people, the auditorium was full. I thought oh my goodness they must be giving away something free. From the front to the back, it was packed with people from the Airport. So it came off to a great start. I don't know what the final number is but it really was a wonderful program for all of these young people to get jobs. I don't know if the Director wants to say anything.

Mr. Satero said and it has gotten more energy as well, I mean of other commitments. So I think that number will grow.

Commissioner. Commissioner Crayton commented oh I think so too. Thank you.

Mr. Satero said I thank you for being there representing.

Commissioner Yeung said I just want to say I actually really regret not making that event. I think it was an incredible opportunity. And you know one thing I like to hear more about, is how is the outreach happen to make those jobs accessible and available to the entire San Francisco community. I mean 146 high school jobs in the Airport is amazing. You know more coming in and it would be great just to hear how the outreach is going to happen to the communities of the City and you know, I love to support that however, I can.

Commissioner Johns said I have a question. So I'm just curious to know how many of those internship jobs are from San Franciscans and how many are from the Bay Area? If you know.

Mr. Satero replied 100% are from San Francisco high school youth. Yes, it's all from San Francisco.

Commissioner Mazzola said congratulations to everyone involved. It's a good deal.

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F. ACTION ITEMS RELATED TO ADMINISTRATION, OPERATIONS & MAINTENANCE

Item No. 2 was approved 4 to 1 by a motion by Commissioner Guggenhime and a second by Commissioner Yeung with Commissioner Mazzola voting no.

2. Award of Contract No. 10574.61, Construction Services for the Police Training Support Facility Project
Build Group, Inc.
\$10,566,953

No. 19-0068. Resolution awarding Contract No. 10574.61, Construction Services for the Police Training Support Facility Project, to Build Group, Inc., in the amount of \$10,566,953 with a contract duration of 425 consecutive calendar days, and with a corresponding amount in contingency authorization.

I am Geoff Neumayr, Chief Development Officer for the Airport. Good morning Commissioners. This proposed resolution is for your approval to Award the Construction Services contract for the Police Training Support Facility Project to the Build Group, Inc. in an amount of \$10.8 million with a duration of 425 consecutive calendar days and authorize a corresponding contingency. The Build Group is new to the Airport. We did check references with their work and they have done for both the Department of Public Works and San Francisco State. Both agencies reported that they had had good experience with the Build Group. The Department of Public Works was not aware of any issues regarding any LBE compliance issues or prevailing wage issues, so we couldn't get any feedback on that. I would offer that we have a very defined program on the prevailing wage that on each pay request that comes back to us, is required to have the certified payroll attached to it and we do review that, on a month to month basis and it cost our program. We have not had any problems to date so far because everybody does know we check those. And those have to be signed off not only by our contractors, but they also have to be signed off by our Project Manager as well as myself. As well that they have been submitted and corresponding to. So we take that very seriously so if there are any issues, we will definitely be on it. But we have heard that they were successful and we're not sure potentially maybe it was on other projects outside that they had issues with, but we're not aware of any issues within Department of Public Works or at San Francisco State. And they also San Francisco State was new dormitories that they built in there. This contract does provide for Construction Services for construction of the Police Training Support Facility Project. The project will replace the existing range office trailers at the Airport. This new facility will be a 7,000 square foot, single-story building that includes space for classroom training, offices for the range master and two sergeants, firearm cleaning room, an armory, a vault, a break room, and work stations for supplemental range staff. This new facility will provide modern technology and equipment to support integrated training between the San Francisco Police Department – Airport and other law enforcement agencies. This bid did contain four Alternate Bid items: A Concrete Pad for ammunition storage magazines; An extension of the Range B; A photo voltaic system to achieve our energy goals for the project; And an Office and training room furniture. All four alternate bid items in the amount of \$556,000 and are included in this contract. Seven bids were received and Staff did determine that the lowest bidder the Build Group, Inc. was responsive and recommends awarding to this contract. The Airport did receive a bid protest from Wickman Development and Construction claiming that the

Build Group lack sufficient qualifications, and erred in filling out bid forms. After review, the protest was found without merit. The base price for the Build Group, Inc. was \$10 million and was over the engineer's estimate. These base bids were higher as a result of cost escalation in a competitive market place, added unforeseen site utility work and additional scope required to construct the facility in compliance with the revised Federal Emergency Management Agency Flood Resistant Design criteria, all of which were not included in the original estimate prior to the bid. Staff has revised the engineer's estimate and revised the contract budget to \$10.66 million with budget and funding for this contract from the deferred projects that are part of the approved Capital Program. The revised contract amount fits within the overall program budget for the Ascent Program – Phase 1 under the Airport's Capital Improvement Plan. Since this is a federally assisted contract, a Small Business Enterprise goal of 25% has been established, and the Build Group, Inc. is committed to meeting this goal. We recommend your approval, and I would be happy to answer any questions you might have.

Commissioner Crayton said it seems to me that the Build Group, that name is very familiar to me and I'm wondering they bid on several contracts with the Airport. Is that not so?

Mr. Neumayr responded I know that they bid on one, I can't recall one contract that came out of the architectural department. I believe they came in 2nd or 3rd place at that point in time. So this is their first contract that they were the low bid.

Commissioner Crayton said they were, but it actually looks like that Wickman was the low bid but then for whatever reason.

Mr. Neumayr said but no Wickman actually, I believe they were, they were \$36,000, it was so close, they were like \$36,000 higher.

Commissioner Guggenhime said \$34,000.

Commissioner Johns said \$10,690 and \$10,566.

Mr. Satero said with alternates Geoff, with alternates.

Mr. Neumayr said oh excuse me. Ivar pointed out the base bid they were lower but when you add the bid alternates, that's when the price change, the bases changes.

Commissioner Crayton said so even looking incrementally at everything, it came out to?

Mr. Neumayr said when you add everything in, the Build Group was the lowest bidder.

Commissioner Crayton said it was the lowest bidder, and they're located where again?

Mr. Neumayr responded they are out of San Francisco.

Commissioner Crayton said they're out of San Francisco and have been doing business for a really long time, etc. etc.

Commissioner Mazzola asked they are an offshoot of Webcor, aren't they?

Mr. Neumayr responded they are.

Commissioner Crayton said that's why I was wondering. It felt like there was some connection there.

Mr. Neumayr said it started by Eric Horn and I think Ross Edwards.

Commissioner Mazzola said so let me understand. This bid came in 35% higher than our budget.

Mr. Neumayr added than the original estimate.

Commissioner Mazzola said than the original estimate. Now we changed our estimate, changed our budget to meet their price, sort of speak, kind of?

Mr. Neumayr all the pricing that was submitted.

Commissioner Mazzola responded so our new budget is now even with their bid. We do that with everyone who overbids?

Mr. Neumayr said there are times when things are moving so fast that the original estimates are prepared before the contract documents because its prepared way out ahead of time. During the design period when there were unforeseen conditions at the site and also the change of the FEMA requirements. Prior to the bidding we should have upped the estimates. It has nothing to do with the bids but those two changes after we sent it out to bid.

Commissioner Mazzola responded I I don't quite understand that. All I want to find out is that is this a policy, something that we do when a contractor, you know we've had this before when we overbid our estimates. So I see here now we're raising our estimate, and I never saw that before. I don't remember us raising the estimate to meet the new price. So it may look better on our books. I don't know. I don't know what we're doing.

Mr. Satero said Commissioner, if I can just comment. You know that we got bid call on this over a year ago and that is not a good practice to be a year late, from bid call which is when we do the estimate to when we do take the bids on. So you'll notice in recent packages, we are now committing in putting in a bid date within 30 days of receiving bid call. Because that is, then gives us an estimate that is consistent with what's happening

with current market conditions and understanding of the project. So there is some work we're doing trying to fix this. Time lapse which causes increase and costs because of escalation.

Commissioner Mazzola said okay but, I know from experience that when we're estimating a project and we know the project is a year out, we put some markup in there. We know there's a markup, certain amount of markup if it comes in. We do that for our estimates. So it seems like we already mark something up. That's what we do. And now a bid comes in. You know it's almost 50% higher with a new contingency. It's 50% higher you know.

Mr. Satero said we have done this in the past and we have updated our estimates when they're this old. Or if we've forgotten significant scope that we found which is part of the problem here. So we just need to do a better job.

There were no further comments.

Item No. 3 was approved unanimously by a motion by Commissioner Johns and a second by Commissioner Guggenlime.

3. Award of the Airport Luggage Cart Lease and Operating Agreement to Smarte Carte, Inc.

No. 19-0069. Resolution awarding the Airport Luggage Cart Lease and Operating Agreement to Smarte Carte, Inc.; and directing the Commission Secretary to request approval of the Lease from the Board of Supervisors.

Good Morning Commissioners. I am Cheryl Nashir, Director of Revenue Development & Management. I am here this morning to seek your approval to award the Luggage Cart Lease and Operating Agreement to the incumbent, Smarte Carte, Inc. This is a lease and operating agreement because there are two distinct operations happening under a single agreement – which is exceptional. It's different than our other leases.

First, under this agreement, Smarte Carte will offer carts in the public areas of the terminals, garages and Rental Car Center. The rate right now for cart rental is \$6.00. And for those rentals, Smarte Carte will pay us the greater of a Minimum Annual Guarantee of \$975,000 or 19% of sales. Second, under this agreement, Smarte Carte will provide carts free of charge in our Customs and Immigration area. For this the Airport pays Smarte Carte. The fee structure here is the lesser of, on annual basis, \$1.45 per cart or a flat fee which we've set for the first year, \$3,100,000. This is a labor intensive business. They have a staff of 59 people. And for the Customs and Immigration. service alone is about 1.8 million carts are used every year, wind up all over by our international arriving guests. Of course, the carts wind up all over the Airport of course. These two fees combined, net out with the Airport paying Smarte Carte about \$1.66 million. This new lease compared to the existing lease results to a 2% cost increase to the Airport. The term is three years with one three-year option. I am also seeking this morning to correct a mistake that I made in the

last memorandum about this lease. That memo said that the service payment for the Customs and Immigration cart operation would escalate by CPI each year. It actually is a set fee for three years. There is an escalation but it's defined already in the lease. So there's no CPI involved. Smarte Carte was the sole proposer on this lease and it does require the approval of the San Francisco Board of Supervisors. I would be happy to take any questions.

Commissioner Guggenhime said one day I had a plane that was about four hours late so I was wondering around. It's obvious to me, I was sort of stunned there was only one bid. But the carts are you state are all over the place. There out in the curbs, there out past the first curb, out of the second curb, there on the middle of the road. There's clear to me that there's a tremendous amount and very intensive labor effort here. I think the fact that we give free carts international, on international arrivals is customary around the world. I know that at one point that the Airport looked at operating Smarte Carte by itself. Basically we would own and operate it but, this is obviously a labor intensive contract. And if you're happy with the numbers involved, I think that's. I'm fine with it but, I never learned how many carts there were until I had all those extra time. I must have seen 500 carts unattended. It's a big deal.

Commissioner Mazzola commented that's a lot, that's a lot of carts out there.

Commissioner Crayton asked so with this new contract and the amount that's being specified, are you indicating that there's going to be more effort in terms of guarding the Smarte Carte which is not everywhere? And then when you look for one, they're out or whatever.

Ms. Nashir responded absolutely. And Smarte Carte' workforce is really stable which is really interesting and a very positive thing, we think. So we're always working with them on trying to streamline their process of getting carts between levels at the Airport. And we're on them constantly. In fact, Ivar calls as well, to let us know they're carts you know out in this remote area or I've seen carts here. We stay on them constantly.

Commissioner Crayton whose responsibility is that? What department within the airports?

Ms. Nashir responded Revenue, Development, and Management, my department.

Commissioner Crayton asked do you do the actually do the tactical piece of it? Is that what you're saying?

Ms. Nashir responded no we just manage the contract. We call the operator and say please get to this area, there're some carts that need to be picked up.

Commissioner Crayton said okay, thanks.

Commissioner Yeung said Mr. President I have a question. So two questions on my end. One is in your memo. I think Rich mentioned that Smarte Carte was the sole proposer. I'm just curious just why they are the sole proposer and to answer maybe the obvious and the second is just a little more background about Smarte Carte? You know, are they a national company? Again there's a little bit about that in the memo and it indicates that they're pretty much everywhere. But I think I just like to know a little bit more about Smarte Carte.

Ms. Nashir responded sure. So, Smarte Carte has, this is a niche business and they're in probably 98% of the large hub airports in the United States. There's been two or three other companies that have tried to enter this business and haven't lasted long. The only large hub that I know of right now that has a different operator is Miami. And so they're really in a class of their own. And I don't think it's a really profitable. It doesn't seem to be a really profitable business. There always coming to us with little add-ons. Could we do massage chairs, this and that. And Smarte Carte is, I think Minneapolis base company, I believe 40+ years old, very well known in our airport business. A national company outside. I'm not aware that they're an international company.

There were no further questions.

Item No. 4 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Johns.

4. Commencement of the Request for Proposals Process for the Terminal 3 Boarding Area F Gourmet "Grab and Go" Market Lease

No. 19-0070. Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing Staff to issue a Request for Proposals and conduct an informational conference for the Terminal 3 Boarding Area F Gourmet "Grab and Go" Market Lease.

My name is Cheryl Nashir, Director of Revenue Development and Management and I am seeking your approval this morning to commence the Request for Proposals process for the Terminal 3 Boarding Area F Gourmet Grab and Go Market. Today this location operates as an electronics store called InMotion Entertainment. We are changing the use to meet the public's demand for more food and beverage – those sales are growing while retail sales are leveling off. The concept for this space is a miniature – upscale market with pre-made meals, sandwiches, salads, snacks, "snack-packs" to carry on-board, and hot and cold beverages. We've not tried a concept like this before. It is much more, obviously, than the newsstand, the food and beverage assortment that you find and it's much less than our Napa Farms Market concept. The term is 10 years. The tenants will pay the greater of a minimum annual guarantee of \$330,000 or tiered percentage rent. Today, the space is generating sales of \$1.46 million and earning the Airport approximately \$175,000

per year. Upon your approval today, we will issue a Request for Proposals and hold an informational conference after which we will return for authorization to accept proposals. I would be happy to take any questions.

There were no questions.

Item No. 5 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Guggenhime.

5. Commencement of the Request for Proposals Process for the Terminal 3 Boarding Area F News and Multi Concept Retail Store Lease

No. 19-0071. Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing Staff to issue a Request for Proposals and conduct an informational conference for the Terminal 3 Boarding Area F News and Multi Concept Retail Store Lease.

My name is Cheryl Nashir, Director of Revenue Development and Management. I am seeking your approval to commence a Request for Proposals process for the Terminal 3 Boarding Area F Newsstand and Multi Concept Retail Store Lease. The premises are made up of three stores that are contiguous. Today they are CNBC News, Boucle (which is a jewelry store) and Bay Area Club House (which is a sports apparel store). We've been challenged the last few years in gaining much response to RFPs for single specialty retail store leases. Hence we are combining two along with a newsstand under this RFP. The larger companies that we, that traditionally get are newsstand business all have you know, impressive portfolios including national brands and the ability to partner locally to bring us interesting specialty retail. Our vision for this space is that it looks like three individual locations but perhaps there's walk, or pass-through's between the three stores on the interior so that they can share staff and it's just a better shopping experience for the customers. The term is seven years with two one-year options. The tenant will pay the greater of a minimum annual guarantee of \$650,000 or tiered percentage rent. Today, the three spaces which are covered by three individual leases are generating sales of \$3.7 million and earning the Airport \$522,000 per year. And finally, as a footnote, we started an RFP process for these locations last fall and we had them bundled differently. We had the Gourmet Market with the newsstands and so on. And we're starting fresh. And the previous item we talked about, we're going to lease the Grab and Go Market by itself. And then this is a new bundle newsstand. Upon your approval today, we will issue a Request for Proposals, host an informational conference after which we will return and ask if we can accept the proposals. I would be happy to take any questions.

Commissioner Johns asked I just want to make sure I understand. So these are three separate leases in this one proposal here?

Ms. Nashir said sorry, it's one lease in this proposal, three spaces.

Commissioner Johns asked so one person is going to be running it?

Ms. Nashir responded yes.

Commissioner Johns asked and what's the square footage?

Ms. Nashir replied 2,600 sq. ft. total.

Commissioner Johns asked but you want this person or this entity who's going to be running it, to have three separate?

Ms. Nashir responded, I want, yeah for the passenger, for it to look like three distinct stores. But for economic reasons, it's still a single operator.

Commissioner Johns said it's still all one. There'll be one checkout area?

Ms. Nashir responded three checkout areas.

Commissioner Johns commented interesting. And have we done anything like this before?

Ms. Nashir replied we have not. We've bundled space before but we've had you know, one big check out area and we haven't made it look like its individual stores. We've had one large store with different types of merchandise happening, kind of like a department store but, this is different.

Commissioner Yeung asked so my question kind of focuses on what it means to kind of go from three separate leases to one bigger lease? What's the impact going to be in terms of local businesses being able to compete with, say sort of larger national chains. I understand that you know we're stuck between a rock and a hard place. But this is an important question and you know, how are we going to address that through the RFP process?

Ms. Nashir responded so it is an important question. We, like the carts, the newsstand businesses at airports is a niche business and there's just a handful of national and international companies that do it so, we think what is really potentially lost here, is the opportunity for small or a local business to get these specialty retail stores by themselves. However, in the last two years, we have had a really rough go in getting proposals on singles specialty locations. So what we will tell the industry and what everyone that does business with us, knows about us, we want local participation on our leases. So we expect and I think we stand a very good chance of having a newsstand operator partner with local owners. Either to you know strictly ownership role or ownership along with offering

their concept.

Commissioner Yeung said I'm sorry, one more question. What is local participation mean financially, legally? I'm just curious. Is it certain percentage of the business? Is it, um?

Ms. Nashir responded it is. It's a percentage of ownership. So if the sales, let's say \$5 million in this location and there's a joint venture between a national company and a 20% local owner that we would attribute a million of the \$5 million in sales to that local.

Commissioner Yeung asked and then we would score based on?

Ms. Nashir said we'd call that local ownership.

Commissioner Yeung asked and we would award more points to partnerships that?

Ms. Nashir responded we are not, we're prohibited by federal law to giving any extra points for local ownership but, we talk about it and press for it nonetheless.

Commissioner Yeung said thank you.

Commissioner Crayton asked we don't have an example of having done this before at all, do we?

Ms. Nashir said we do not. We have a district, a big district market that's, use to be a number of stores. We tore down the walls and made a big one but we haven't, we haven't done this before.

Commissioner Crayton asked and do you know, what was the thought behind this new venture process that you know I'm questionable about it because, I'm not. I'm trying to get, what was it we were trying to get to, to determine because it's it would be two separate operations and now it's one large operation. So it's a small guy unless it's a part of that. I'm not able to operate.

Ms. Nashir responded so these locations are just, there in the same terminal and just down the hall from this really large space we have called district market which is a newsstand but it has specialty retail and it has some food and beverage. It kind of has everything. It's kind of a retail market. So I didn't want to replicate that so nearby. And what we wanted was, in these three locations, news most importantly, and then specialty retail. Just interesting and fun, non-news retail. But it's hard for us to get proposals for those little specialty retail stores right now. So we bundled in under one lease and we decided to challenge the industry, to go out there and form partnerships, and deliver something that is not a replication of district market down the hall but is, but is still a single lease that features news along the specialty retail.

Commissioner Crayton asked so the bottom amount is \$65,000, but the MAG is \$650,000?

Ms. Nashir responded yes.

Commissioner Johns asked so I just want to clarify on the map. Is the district market in the hub where that, where Terminal 3 is? Is it part of that hub, that area?

Ms. Nashir responded it is.

Commissioner Johns said okay. And this may sound like a silly question but I'm just kind of curious. When people shop and they can go from one to the next, to the next, you said there would be three separate checkouts. Does it matter which checkout you go to if you picked up something in area one but you're walking around, you haven't decided, then you checked out area three? Can any of the three checkouts check out an item or does it have to be from a specific area, if you know?

Ms. Nashir responded I, it will depend on the operator's design.

Commissioner Johns said I think that could be confusing and you know, in an Airport you need to get things done efficiently without confusion so, I would be concerned about that.

Ms. Nashir said we will press them to have a flow through so you can walk between all three stores and put a basket together and go to any cash register. That is what we would like. The only reason, the only reason you might not be able to go to any cash register, is if for some reason this new operator wants to keep hard walls between the three locations, and you know, you won't be able to walk out front into the next store, with something not paid for.

Commissioner Johns asked but that's not part of the RFP to have hard walls. I thought that you said that the concept was to be able to go from one area to the next.

Ms. Nashir responded it is. We have not demanded flow through in the RFP. We certainly could and I think we should now that we're talking about it.

Commissioner Johns said I think you need to clarify some of these things before you put this out.

Ms. Nashir said okay we will. In our RFP we will say that this is a flow through and we have put a lot of language in about making it look like three distinct spaces. But we'll add a lot of language about the operation, running as if it's one large store.

Mr. Satero said Cheryl, it seems to me it's similar in concept to the Manufactory from a food and beverage standpoint. It's one operator but three distinct options there. Can you

draw a similarity to that on a retail perspective?

Ms. Nashir responded yeah, but we might call that a food hall. So this is, you might call this a retail hall. The difference, the key differences we want the front of the store to look as if it's three distinct operations. So I'm going into the makeup store because that's all I'm interested in today. Or I'm walking in the newsstand here or I'm walking in whatever the 3rd gift store in the center perhaps. But it makes sense to have it flow through, have doors on the interior where you can just walk through all three of them.

Commissioner Mazzola asked is it going to be mandatory that this bidder, successful bidder take a partner and have maybe a local person or something, or can that person operate all by themselves?

Ms. Nashir responded it's not mandatory. We don't have the ability to mandate that but we will strongly suggest it. And in fact, in our points, in our evaluation criteria, we talk about how things will be operated into what extent. It really reflects the Bay Area so that's the closest we can get to letting them know that will show up in the points.

Commissioner Crayton asked is this done anywhere else that you know of?

Ms. Nashir responded I have seen a retail court in Miami International Airport.

Commissioner Crayton asked and do you know whether or not their financial concept, where there's a three whatever that is, how they do that? That's just what I'm wondering because it seems to be, that's the core of, you know how the money is distributed and how, you know someone that has a high thriving business and maybe this end is not doing well. If they can just ring it up anywhere, how that will go back to, well you can categorize it I guess you know.

Ms. Nashir said the sales for all three locations or all three cash registers will be bundled, then the percentage rent, then the MAG will apply to that single level of sales.

Commissioner Johns said so just one final question. So the whole thinking on this started out because this is essentially newsstand but you didn't want it to be just newsstand? So that's why you merged together this concept of having three separate stores under the newsstand operation but really focusing on the rest of the square footage being two other sales entities. Is that what I'm hearing?

Ms. Nashir responded real reason we've done this is for economic reasons. It's easy for us to get newsstand proposals. It's not been easy for us the last few years to get proposals for a single retail store at the Airport. I've been before you a few times and told you we got a single proposal or we didn't get one. So it's harder and harder for us to lease just a single specialty store. It's really the last dollar spent in the concessions program. It's easy to sell food, it's easy to sell news and merchandise duty free but it's the specialty item is

really not a necessity.

Commissioner Johns said so it's kind of pushing the news?

Ms. Nashir said the news operators to go find some great specialty...

Commissioner Johns said or some other means having...

Ms. Nashir said and support those stores by your newsstand business.

Commissioner Johns commented I hope it works. Good luck.

Ms. Nashir said thank you.

There were no further questions.

Item No. 6 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Guggenhime.

6. Commencement of the Request for Proposals Process for the Terminal 2 Employee Café Lease

No. 19-0072. Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing Staff to issue a Request for Proposals and conduct an informational conference for the Terminal 2 Employee Café Lease.

I am Cheryl Nashir, Director of Revenue Development and Management and I am seeking your approval to commence a Request for Proposals process for the Terminal 2 Employee Café Lease. SFO aspires to be a great place to work and in on-going surveys with our large employee population, being a great place to work definitely includes providing a place to get a value priced meal and also a place to dwell in during your breaks. As a part of the Terminal 2 Build-back project, we are creating space for an employee café. It's one level up from the security checkpoint in Terminal 2 and one level down from the new observation deck. It is our hope that this café will also be enjoyed by the public who are visiting the observation deck. The business terms here are different than any other lease we have but they are born of the lower sales that will be derived out of this space. The need to keep prices low and current construction costs. The term is seven years with one two-year option. Rent is 1% of sales up to \$3,000,000 and 2% thereafter. Our current employee café is in Terminal 1 and will close next Spring. Its sales are approximately \$1.5 million per year and the rent is fixed at \$60,000 per year. That equates to about 4% of sales. We are lowering the percentage rent here in reflection of the capital investment that's required in this new and larger cafe. With your approval we would like to publish

the RFP, hold an informational conference, and then return to get your approval to accept proposals. I would be happy to take any questions.

Commissioner Crayton responded my question is, because it's pre-security and the employees, how much time do they have for? A lunch hour, two hours, how much time?

Ms. Nashir responded 30 minutes probably.

Commissioner Crayton commented 30 minutes and they're going to fight with the general public to get something to eat? So therefore I'm wondering why do we have to have it pre-security because, you know that makes it harder for them. You know their fighting against ...

Ms. Nashir responded because we have four terminals at the Airport, it's easier for people transiting, employees transiting between the terminals to go pre-security, and not have to leave security. Let's say in the International Terminal, go through security in Terminal 1 for instance to get to a café on a 30-minute lunch hour.

Commissioner Crayton asked because there's nothing over there then?

Ms. Nashir responded yes, this will be the sole employee café on the Airport.

Commissioner Crayton commented they go to eat.

There were no further questions.

Ms. Corina Monzón, Commission Secretary announced next I'll call Items. No. 7 and 8 together.

Item No. 7 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Johns.

7. Commencement of the Request for Proposals Process for the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside

No. 19-0073. Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing Staff to issue a Request for Proposals and conduct an informational conference for the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, a Small Business Enterprise set-aside.

I am Cheryl Nashir, Director of Revenue Development and Management. I am seeking your approval to commence two Request for Proposals processes. They are for Small Business Set Aside Food and Beverage Kiosks. One is in Terminal 3 Boarding Area F and

one is in Terminal 1 Boarding Area C. Today these locations operate as Fraiche Yogurt in Terminal 3 and Three Twins in Terminal 1. The terms for each are seven years. The tenants will pay the greater of a minimum annual guarantee or tiered percentage rent. Related to the historical sales performance, we have set the minimum annual guarantees as follows: \$136,000 for the Terminal 3 location and \$240,000 for the Terminal 1 location. There is another difference between these two kiosks. The Terminal 3 location must focus on snacks, juices, or smoothies. This is because it's in a food court where there are many other food categories covered including a coffee kiosk. It could serve coffee but we don't want coffee to be the focal point. The Terminal 1 location however could be coffee-centric because of where its located and who its neighboring concessionaires are. Proposers must be Small Business concerns as defined and certified by the Human Rights Commission, the Small Business Administration or the California Unified Certification Program. These two RFPs will be our second and third Small Business Set Asides for a food and beverage lease in the last 12 months. We are excited to continue this new endeavor to establish a more level playing field for prospective tenants. With your approval we would like to publish these RFPs and schedule an informational conference and return to accept proposals. I would be happy to take any questions.

Commissioner Yeung said two questions. First question just in terms of the Terminal 3 Boarding Area and the juice smoothies and/or healthy snacks. Is it possible to expand that to include sort of more ethnically oriented kind of snacks like Boba teas or things like that? I don't know if that qualifies within your existing definition but it seems like that could create some more opportunities. That's question one. And then the second question is just in terms of outreach. How do you conduct your outreach to bring people into the informational conferences? Thank you.

Ms. Nashir responded thank you. We can absolutely expand the offerings and the way we'll write this is we'll just tell them what they can't do and that will leave a whole lot of what they can do. And what they can't do will just be what their neighbors are doing, pizza, coffee, and so on, hamburgers. And as far as outreach, my staff goes out into the community. We do it every week when we're leasing and try to meet with new businesses and talk them through our process and invite them back for tours and to share information and past proposals to help coach them on how to compete at the Airport for space. And we publish advertisements in the local paper. We also work through our office that deals with the small businesses and the ACDBEs so that they can outreach via other publications in their networks. And the informational conferences, everyone is invited to and we do a whole presentation and what they can expect as far as the process. How to put proposals together, what the sales expectations or a forecast could be.

Commissioner Yeung asked and does the publication outreach include you know ethnic papers and neighborhood based papers?

Ms. Nashir responded it does. I think there's over 40 local papers and chambers that we, that are on our list to receive all of our information.

Commissioner Yeung said thank you.

Commissioner Guggenhime asked so J. Rene and Rylo have these two leases now?

Ms. Nashir responded yes. True.

Commissioner Guggenhime asked would they likely want to renew?

Ms. Nashir said I think I would expect them to compete.

Commissioner Guggenhime asked there, those on the back row are shaking their hands for approval? So I assume that will happen? Okay that's all I wanted to know.

Commissioner Crayton said okay my question is, what is the leeway time for notification to the newspapers and to the ethnic community, and to the community at large? What is the turnaround time? I mean when does it appear in the paper and when does it have to be back? Let's say if someone was away for two weeks, would they have missed the window?

Ms. Nashir responded no. No, so we would publish the RFP along with the advertisements this week. And we'll give the public a month to look over everything and for us to outreach and to call us and so on. And then we'll host our informational conference. We'll say you've had our RFP for a month, do you have any questions? And you know here's our presentation about it. And then proposals won't be due for about six weeks, eight weeks after that. So the industry will have our information, our RFP for about at least three months.

Commissioner Crayton asked so all the ethnic newspapers are included?

Ms. Nashir responded yes.

Commissioner Crayton said a month ahead of time. Thanks.

Commissioner Johns asked are all of these RFPs that we have approved and the two that we haven't yet, are they all going to be on the same kind of calendar? Or are you spacing them out? I mean your office is going to be quite busy.

Ms. Nashir responded we are. And it's actually more efficient for us to do these together. We'll have one big informational conference where we talk about three food and beverage leases.

Commissioner Johns asked all of these that we approve today, would go out on similar sort of calendar and you'll, so you won't for these specialty leases that we're talking about,

Items 7 and 8 right now, those won't go, you won't have a separate for just those? Everybody that we've approve today will all come together in the same informational conference?

Ms. Nashir responded no. We'll divide the informational conferences by food and beverage and retail. So we'll have an informational conference that is about these two food and beverage kiosks and the Gourmet Market and we'll have a separate conference for the retail multi concepts specialty, the news and multi concept retail. And the employee café will do separately as well. But they'll all be following about the same timeframe.

Commissioner Johns said thank you.

Commissioner Crayton asked how many people actually respond or an average of people that respond to these hundreds of requests that we send out?

Ms. Nashir responded, on quick serve leases we usually get between eight and we've gotten 22 proposals at times for quick serve locations. As far as, I'm not sure if you're talking about proposals or the informational conference?

Commissioner Crayton replied yes informational conference.

Ms. Nashir said okay.

Commissioner Crayton said so I'm trying to gauge whether or not the word is really getting out there.

Ms. Nashir said I would expect about 70 people at our food and beverage informational conference. And 40 maybe at our retail conference.

Commissioner Crayton asked and these are the same people that normally come in?

Ms. Nashir responded they are mostly the same people. We fight hard to bring in brand new people, but it's what we want.

Commissioner Crayton commented so that we know that if you don't see certain people, you know that somehow and that you think they might be eligible, then you know maybe there's something else we can do. But thank you for that.

There were no further questions for items #7 and #8.

Item No. 8 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Johns.

8. Commencement of the Request for Proposals Process for the Terminal 1 Boarding Area C Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside

No. 19-0074. Resolution approving the proposed minimum qualification requirements and lease specifications, and authorizing Staff to issue a Request for Proposals and conduct an informational conference for the Terminal 1 Boarding Area C Food and Beverage Kiosk Lease, a Small Business Enterprise set-aside.

Items 7 and 8 were called together. Please see item #7 for the minutes.

Item No. 9 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Johns.

9. Award of Professional Services Contract No. 8354.41 to Environmental Science Associates to Provide California Environmental Quality Act and Associated Services for the Airport Shoreline Protection Program in a Total Contract Amount Not to Exceed \$6,700,000 for a Five-Year Term

No. 19-0075. Resolution awarding a professional services contract to Environmental Science Associates to provide California Environmental Quality Act and associated services for the Airport Shoreline Protection Program, in a total contract amount not to exceed \$6,700,000 for a five-year term. All tasks are to be paid on a time-and-materials, not-to-exceed basis.

Mr. Nixon Lam, Environmental Affairs Manager said this item seeks Commission approval to award a professional services contract to prepare an Environmental Impact Report (or EIR) for the Airport's Shoreline Protection Program. The San Francisco Planning Department, as the lead agency for the Airport and other City Departments, has advised an EIR would be required to analyze the potential environmental effects of the Shoreline Protection Program. Airport Staff chose ESA based on their qualifications from the San Francisco Planning Department's established pre-qualified pool of consultants that provide environmental review and related services. The scope of services to be provided under this contract is comprised of tasks required to complete an EIR, according to State CEQA Guidelines, Chapter 31 of the San Francisco Administrative Code, and the Planning Department's Environmental Review Guidelines.

Staff negotiated the scope of services, terms and conditions, reimbursable expenses such as mass printing costs for public notices, and billing rates. All tasks would be paid on a time and materials, not to exceed amount basis. The City's Contracts Monitoring Division

has approved a 5% LBE participation requirement for the EIR and the contractor has committed to meeting this requirement. Upon certification of the final EIR, Staff would return to the Airport Commission to request adoption of the EIR findings and mitigation monitoring and reporting program, and approval of the Shoreline Protection Program under separate resolution. We recommend your approval and I can answer any questions you may have.

Commissioner Johns said I just have one question I was curious about. So normally when we have an approved pool list, we pull from our own approved list like financial advisors, etc. but I see in this situation that we're actually using a list from the planning department that has gone before the planning department. I don't remember this ever happening before and I'm just curious is that something that's done departmentally. For example, do other departments in the City pull from our pool list that we have? I just have never heard of this.

Mr. Lam said it's just a little different in this situation in that the EIR is prepared under the requirements of the Planning department and that is actually a Planning commission or a Planning department document and it's prepared under their guidelines and so therefore, it's preferable by the planning department's staff.

Commissioner Johns said that we use their pre-approved list. And we've done this before?

Mr. Satero said you know let me get you a report. I believe financial services; they do use our pool list for certain things but let me, let us give you a write up on this.

Commissioner Johns commented I just thought it was interesting. I think it's very efficient for the City to do that. I just haven't remembered this being done. Thank you for clarifying.

There were no further questions.

Item No. 10 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Yeung.

10. Award Contract No. 50175 for AirTrain Operations and Maintenance to Bombardier Transportation (Holdings) USA, Inc.
\$219,541,698

No. 19-0076. Resolution awarding Contract No. 50175 AirTrain Operations and Maintenance, to Bombardier Transportation (Holdings) USA, Inc., in an amount not to exceed \$ 218,541,698, including \$1,000,000 for Airport requested as-needed services, for a total not-to-exceed amount of

\$219,541,698 for a term of ten years commencing July 1, 2019.

Good morning Commissioners. My name is Eva Cheong, Director of Airport Services. This morning we are seeking your approval to award Contract 50175 for AirTrain Operations and Maintenance to Bombardier Transportation (Holdings) USA, Inc. to continue operations and maintenance of the AirTrain system for 10 years, beginning July 1, 2019 and there will be an option to extend the contract for an additional term of five years, which the Airport may exercise at its sole discretion. This contract includes several Capital Asset Replacement Program tasks that will greatly improve customer satisfaction and AirTrain reliability. Several of these projects will replace vital components on each AirTrain vehicle, and extend the operating life for many more years. There will also be a \$1 million set aside as a contingency fund to cover the replacement of any AirTrain related equipment that may become obsolete during the term of the contract. Bombardier installed the current AirTrain system and has been providing all services to operate and maintain the system since its opening of March 2003. They have met all current contractual obligations and maintain a system availability rating above 99.6%. The AirTrain is a proprietary system operated by Bombardier equipment. As such, the Office of Contract Administration waived the solicitation requirements for this contract under Administrative Code 21.5d Proprietary Article 12. In order to ensure that the Airport was negotiating a competitive and fair price for this contract with Bombardier, we engaged a third-party to review comparative costs for the annual operation and maintenance of other automated people mover systems in the U.S.A. This included systems operating at Atlanta Hartsfield-Jackson International Airport, Denver International Airport and Dallas Fort/Worth International Airport. The review indicates the price negotiated with Bombardier provides for an annual savings of around \$1.2 million compared to average cost of those other systems. The pricing for this contract has been negotiated through the first ten years and for the five-year extension if it is exercised. As you are aware, we are also in the midst of extending the AirTrain track to the new long term parking garage, and adding two new stations, upgrading the train control systems. This will add approximately one half mile to the current six-miles of track and we will be adding three train cars to accommodate these additional stations and passengers. As a result of this expansion, Bombardier will be increasing staff levels under this contract in order to provide 24/7 train and system recovery at all locations. Upon Commission approval of this 10-year contract in the not-to-exceed amount of \$219,541,698, we will take the necessary steps to receive Board of Supervisors approval. With that, I'd be happy to answer any questions.

Commissioner Crayton said I noticed the 5% local business LBE, it can't be higher than 5%. This is a huge contract. We've been having them a long time. There's nothing can be done.

Mr. Satero said you know the specialized nature of these services make it difficult. I know we've made, when we did the contract in 2011, the same kind of challenges around this. It was pretty difficult.

Commissioner Guggenhime said so this is not directly related to this matter but AirTrain, the Hotel opens on July 12th. Allegedly will the AirTrain will be working?

Ms. Cheong responded yes. We appeared to be on track with all the system upgrades and the stations. On track.

Commissioner Yeung said I just have one operational question. With the three additional trains, is that going to increase the frequency of the trains passing by or is it really to cover the extension?

Ms. Cheong responded it's to cover extensions. So it will maintain frequencies when you have two additional stops that slows it down as well. And to cover additional passenger traffic from the long term garage.

Commissioner Yeung asked and how does the frequency of our AirTrain compared to other airports? Is it about roughly the same? And I'll tell you why just to be honest. I was travelling the other week and I used the AirTrain and it seemed like a long wait relative to other airports I've been at. Well I've been to Denver and other places. They seem to come by every you know 30 seconds or something like that so.

Ms. Cheong responded it's not that fast. I think it's every three to four minutes right now. We have had recently because of the system upgrade, and there's some additional testing that happens during the day on the tracks. There have been some delays that will end once the new control system is put into place.

Commissioner Yeung said thank you.

Commissioner Crayton commented it will be important for the Hotel.

There were no further questions.

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G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS

The Consent Calendar, Item Nos. 11 through 13, was approved unanimously upon a motion by Commissioner Crayton and a second by Commissioner Guggenhime.

11. Authorization to Execute an Amendment to Letter of Credit and Reimbursement Agreement with State Street Bank and Trust Company to Extend the Letter of Credit Supporting up to \$100 Million Principal Amount of Airport Commission Subordinate Commercial Paper Notes for an Additional Five-Year Term, and Approval of Certain Related Actions

No. 19-0077. Resolution authorizing a Letter of Credit extension to support up to \$100 million principal amount of Airport Commission Subordinate Commercial Paper Notes for an additional five-year term, and approving certain related actions.

Commissioner Johns said I really don't have a question but I sort of think that Item 11 because of the money involved, should have been on our regular calendar. And I understand this Letter of Credit is, as I see it, is going to save us money because we're renewing it, with State Street Bank and Trust and that the Wells Fargo one will come before us separately. I mean I just think it should have been just the point of information. I think it should have been on our regular calendar.

Mr. Satero responded understood. We will take care of that for the future. There was so many items on this calendar.

Commissioner Johns commented I know but it's \$100 million, I think it should come before us.

Mr. Satero responded will do.

Commissioner Mazzola said can you take care of that next time.

12. Approval of Modification No. 4 to Professional Services Contract No. 11252.41, Project Management Support Services for Activation Planning Services SFO Partners
\$914,600

No. 19-0078. Resolution approving Modification No. 4 to Professional Services Contract No. 11252.41, Project Management Support Services for Activation Planning Services with SFO Partners, in an amount of \$914,600 for a new contract not-to-exceed amount of \$5,408,600 for services through May 23, 2020.

13. Authorization to Issue a Request for Proposals for Federal Legislative and Regulatory Advocacy Services

No. 19-0079. Resolution authorizing the issuance of a Request for Proposals for federal legislative and regulatory advocacy services in Washington, D.C. and accept proposals.

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H. 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 two (2) 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.

Commissioner Mazzola announced we do have one speaker, Barry Taranto.

Mr. Barry Taranto said good morning. This is the longest meeting you've had in a really long time. I want to welcome the new Commissioner. I work with taxi drivers. I'm a taxi driver. I'm with the Board of San Francisco Taxi Workers Alliance and first I want to say that the problem is with the sole bidder on the catering contract. We're stuck with somebody that's inefficient. And is not easy to work with and the quality of the food is terrible. The new contract doesn't start until May 1st and they are continuing the bad behavior because their hours of operation is supposed to be, Cheryl gave me some good information that they decide the hours. I think the Airport should decide the hours. They leave most days before 6 pm. I think their hours should be 8:30 am to 7:30 pm. But they are gone before 6 pm most days. This is a problem. I think the grab and go market could have satellite in the taxi lot or have high tech vending machines. A vending machine would really help. When the new contract starts we should automatically cancel the contract if they don't abide by the rules of the contract. The second thing is I don't understand why you are letting the MTA dictate taxi procedures. There are a lot more P cabs going to the Airport. The situation is bad; the curbside manger needs more money for overtime. They are having staffing issues because people are getting sick or quitting. I would hope you would want to hear more about this. They don't have enough staffing to carry out the procedures that MTA requires.

Commissioner Crayton asked if the food is any better.

Mr. Taranto responded he doesn't have a chance to eat there because its closed. I don't get there until 5:30 PM and there are certain lots where I can't leave the lot to go get the food. It's the same operator. An the new one is the manager of the current operator so we are not going to get any better food as far as I am concerned.

* * *

I. CORRESPONDENCE:

There was no discussion by the Commission.

* * *

J. 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 (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code 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 the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

* * *

K. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:10 A.M.

(Original signed by: C. Corina Monzón)
C. Corina Monzón
Airport Commission Secretary