

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

Tuesday, June 18, 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, June 18, 2019

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.	CALL TO ORDER:	.....		4
B.	ROLL CALL:	.....		4
C.	ADOPTION OF MINUTES:	.....		4
		No. 19-0149. Regular meeting of <b>June 4, 2019</b> .....		4
D.	SPECIAL ITEMS:	.....		4
	1.	<b>Retirement Resolution for Mr. John H. Hill</b> .....		4
		.No. 19-0150. ....		4
E.	DIRECTOR'S REPORT (Discussion only):	.....		5
F.	ITEMS INITIATED BY COMMISSIONERS:	.....		8
G.	ACTION ITEMS RELATED TO ADMINISTRATION, OPERATIONS & MAINTENANCE			8
	2.	<b>Authorization to Accept Proposals for the Terminal 3 Boarding Area F News and Multi-Concept Retail Store Lease</b> .....		8
		No. 19-0151. ....		8
	3.	<b>Authorization to Accept Proposals for the Terminal 3 Boarding Area F Gourmet Grab and Go Market Lease</b> .....		9
		No. 19-0152. ....		9
	4.	<b>Authorization to Accept Proposals for the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside</b> ...		10
		No. 19-0153. ....		10
	5.	<b>Authorization to Accept Proposals for the Terminal 1 Boarding Area C Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside</b> .....		10
		No. 19-0154. ....		10
	6.	<b>Authorization to Accept Proposals for the Terminal 2 Employee Café Lease</b> .....		12
		No. 19-0155. ....		12
	7.	<b>Approval of Phase C2 to Contract No. 10072.66 Design-Build Services for</b>		

	<b>the Courtyard 3 Connector Project Hensel Phelps Construction Company</b>	
	<b>\$13,468,296.....</b>	<b>14</b>
	No. 19-0156. ....	14
H.	CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS .....	15
	<b>8. Award of Contract No. 11295.61, Construction Services for the Electric Shuttle Buses and Electric Vehicle Charger Installation Project Becker Electric, Inc. \$2,556,778.77 .....</b>	<b>15</b>
	No. 19-0157. ....	15
	<b>9. Approval of Phase D1 to Contract No. 8427C.66, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project Walsh Construction Company II, LLC \$1,200,000 .....</b>	<b>15</b>
	No. 19-0158. ....	15
	<b>10. Authorization to Issue a Request for Proposals for Contract No. 50219, National Explosive Detection Canine Team Program Training Services .....</b>	<b>15</b>
	No. 19-0159. ....	15
I.	NEW BUSINESS:.....	16
J.	CORRESPONDENCE:.....	16
K.	CLOSED SESSION: .....	16
L.	ADJOURNMENT:.....	16

Minutes of the Airport Commission Meeting of  
Tuesday, June 18, 2019

**A. CALL TO ORDER:**

The regular meeting of the Airport Commission was called to order at 9:01 A.M. in Room 400, City Hall, San Francisco, CA.

**B. ROLL CALL:**

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

**C. ADOPTION OF MINUTES:**

The minutes of the regular meeting of June 4, 2019 were adopted unanimously upon a motion by Commissioner Johns and a second by Commissioner Crayton.

No. 19-0149. Regular meeting of **June 4, 2019**.

**D. SPECIAL ITEMS:**

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

**1. Retirement Resolution for Mr. John H. Hill**

No. 19-0150. Retirement resolution thanking Mr. John H. Hill for over thirty-three years of dedicated service to the City and County of San Francisco.

**Airport Director Ivar Satero** presented a resolution to John Hill, who has had an incredible 33-year career with the Airport. He has held positions as preparator, curator and Assistant Director of the SFO Museum. John has developed and curated over 200 exhibitions. Three highlights have been: 1) Remembering the He'e Nalu: Wave Riding Exhibition (1997) centered around the heritage of surfing, which is a sport near and dear to his heart; 2) Mills Field Memories: SFO at 80 Years Old (2007) looked back at the original SFO Terminal; and 3) Fashion in Flight: Airline Uniform Design (2016) focused on a history of airline uniform designs from such designers as Dior, Valentino and Vivienne Westwood.

His biggest legacy, however, has been his stewardship over the museum and the collection of 140,000 objects maintaining the history of aviation. He has been an incredible leader for the museum's program and an incredible representative of the airport.

**Mr. John Hill** thanked the Commissioners, Director Satero, and Mr. Blake Summers. He further acknowledged his wife for being in attendance and stated that today was their son's 20<sup>th</sup> birthday. He was grateful for the kind recognition and for the opportunity to play a role in the success of the exhibition program of the aviation library and museum. He has had the privilege of working with so many wonderful colleagues. Together, they have placed cultural programming as one of the model achievements for which SFO continues to earn its global reputation for excellence. Museum staff have been able to produce a museum experience within an international gateway airport for the benefit of a collective audience approaching one billion over the life of the program without compromising museum standards.

**Vice President Crayton** thanked him for his dedication and service. She has been elated and pleased by all the programming.

#### **E. DIRECTOR'S REPORT (Discussion only):**

**Airport Director Satero** updated the Commission on three items.

**Traffic/Curbside Congestion** – On June 5th, Uber and Lyft were moved to the 5th floor of the domestic parking garage to improve roadway congestion. The goal is to set average speeds at no less than 15 mph and prevent a backup extending beyond the International Terminal for access to our domestic terminals. The move has largely achieved this goal with average vehicle speeds increasing for all parts of the day throughout the week, but there is a challenge with Sunday nights between 8pm – midnight, which see 30% higher loads than other evening peaks during the week. For example, 1,200 rides occur within the first 15-20 minutes of that peak period, and it has overwhelmed the system. Staff will continue to make changes and work with the Uber and Lyft on technology changes. Staff are also assisting people during this transition and will tweak signage as the operation unfolds. We are optimistic that we can get to a reasonable place on Sunday nights. Sunday nights have always been a peak and there has always been a delay on the roadways coming into the Airport and with this move we had hoped to mitigate that but we have more work to do. Our loads are also well up for the summer so we are also seeing that impact.

**Commissioner Johns** asked if TNCs (Transportation Network Companies) are cooperating with the request for software changes if they haven't been supportive of the move.

**Director Satero** responded that the TNCs have been cooperative partners despite their desire

not to change the pick-up location.

**Commissioner Guggenhime** asked if drivers are still trying to pick up customers on the departure level and if they are ticketed.

**Director Satero** responded that the TNCs have made their technology conform to the new pick up locations so they are not seeing that issue. However, there is still a problem with drivers finding out where to go; the familiarity is still a work in progress.

**Commissioner Johns** asked if passengers have shown they know where to go, which Director Satero confirmed.

**Vice President Crayton** commented that she has visually seen the program moving the traffic along.

**Commissioner Yeung** asked for the cause of the Sunday backup from a staff perspective.

**Director Satero** commented that the TNCs use a Rematch function that allows drop-off and pick-up without circling. Staff believe this function hasn't been turned off with the location change which causes congestion due to circling. Staff have asked the TNCs to turnoff the rematch feature. In addition, a turnaround at Terminal 1 requires returning cars to cross four lanes of traffic which causes additional congestion. Staff are working with Waze and Google Maps to turn off the route as an option on GPS. The program works well 95% of the time, with Sunday being the exception when you get 1,200-1,500 cars coming from the holding lot going through one lane of traffic to get to the 5<sup>th</sup> floor of the garage. It's the volume of cars called in a short period of time that's causing the peak. We have other options that we are working through. We recognize that we want to solve the problem and we have other means to do so.

**Commissioner Guggenhime** asked about certain turns blocked off with cones.

**Director Satero** confirmed those are used to prevent the turnaround at Terminal 1.

There were no further comments or questions from the Commissioners about this subject.

**Homelessness** – Director Satero stated the Airport continues to convene a Task Force with multiple stakeholders (San Mateo County Life Moves, SFPD – Airport Bureau, BART Police, BART leadership, SF Homeless Outreach Team) working together in a collaborative way to address the issue. Staff have focused on station improvements with BART. The Airport is drafting an MOU with BART for improvements around fare evasion and hardening of the station, which includes raising the sides of gates and alarming the gates if someone pushes through. The Airport is also planning to fund an additional police officer to staff the station. The focus on fare evasion (not letting people enter the station without a ticket) is having a benefit. It's a work in progress. The MOU needs to be finalized and start implementing station hardening, and provide additional police support and continue to work with HOT to offer services. Staff have seen a drop of 15-20% in contacts because the weather has gotten better.

downtown. We need to keep pushing forwarding in this partnering way with our police and BART.

**Commissioner Yeung** asked if the station hardening process implemented at SFO is also occurring at other stops. **Director Satero** responded that BART has a broader program addressing revenue loss from fare evasion. Different options have gone to the BART Board such as turnstiles and raising barricades. Staff are hopeful the Airport will be one of the early sites to test out different options.

**Commissioner Johns** stated it is important to look at the impact of the Airport being the final BART stop. When it's the end of the line everybody has to get off.

**Director Satero** agreed and stated Staff have seen success when BART clears trains early. Airport staff will focus on this as one of the objectives.

**Vice President Crayton** asked if law enforcement is there to assist train operators with individuals who have nowhere else to go.

**Director Satero** said that employees do pass out tokens for SamTrans or BART pass to return if there are other trains running.

**Vice President Crayton** followed-up to confirm if someone is monitoring to make sure that individuals are not sleeping in the terminals after the last train.

**Director Satero** responded that Staff are trying to prevent it at the gate but that doesn't mean they don't take a bus and come back and find another way into the Airport given how open the Airport is but we do the best we can with our police resources.

There were no further comments or questions from the Commissioners on this topic.

**Community Noise** – **Director Satero** stated the Airport supports a framework of giving a voice to the community and assisting with interactions with the FAA. Staff are also implementing the Airport's own programs around noise that the Airport can control. San Francisco is impacted by noise, and there is one select committee option to use the bay for more evening flights in response to Metroplex. A study may move forward to look at feasibility and address the concern of noise shifting. The Airport is not advocating for anything that would shift noise to another community. Directly around the Airport, communities are being impacted by departure noise. The Airport is doing a back-blast study with the SFO Community Roundtable to try to identify any changes that have increased back-blast impact to South City, Burlingame, Millbrae, Sun Bruno, and Hillsborough. Regarding the southern communities, the Airport Commission approved the GBAS (Ground-Based Augmentation System) that would allow the Airport to customize approaches that would have a community benefit. The first step is to move all current approaches to a new platform and develop future approaches that avoid sensitive communities.

**Vice President Crayton** asked if SAMCEDA is working with the Airport.

**Director Satero** responded that they are not on this matter.

**Vice President Crayton** stated that disclosures about noise when you buying a home is important based on her personal experience and is glad to hear about the approach the Director is taking.

There were no further comments or questions from the Commissioners.

**F. ITEMS INITIATED BY COMMISSIONERS:**

There were no items initiated by Commissioners.

**G. ACTION ITEMS RELATED TO ADMINISTRATION, OPERATIONS & MAINTENANCE**

Item No. 2 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Yeung.

**2. Authorization to Accept Proposals for the Terminal 3 Boarding Area F News and Multi-Concept Retail Store Lease**

No. 19-0151. Resolution approving the lease specifications and proposed requirements, and authorizing Staff to accept proposals for the Terminal 3 Boarding Area F News and Multi-Concept Retail Store lease.

**Ms. Cheryl Nashir, Director of Revenue, Development and Management** presented on the item to accept proposals for the Terminal 3 Boarding Area F News and Multi-Concept Retail Store Lease. On April 2, 2019, the Airport Commission authorized the issuance of an RFP for this Lease, which currently has three separate concepts: CNBC News, Bay Area Clubhouse and Boucle. Staff combined three retail locations into a single lease for this RFP and asked prospective proposers to offer newsstand service and at least two additional concepts in this space. Proposers may subdivide the space as they see fit. Staff held an informational conference on May 8, 2019, which was attended by representatives of 27 different companies. Staff collected comments from the industry, and there were very few substantive changes requested. The most substantive question was if the Airport would lower the percentage rent and revenue thresholds, as well as lowering the MAG to \$500K. This RFP is for retail in a part of Terminal 3 surrounded by numerous gates and minimal retail options. Based on Staff projections for the space, the proposed financial terms are appropriate, and they do not recommend any changes to the RFP. With approval of the proposals, Staff will likely be back before the Commission in September for award.

**Commissioner Johns** asked about the recommended evaluation and selection criteria in this item and also items 3 through 6. She wondered why proposed concept received such a high percentage of points relative to the business plan and the operation.

**Ms. Nashir** responded that RDM has found that the very best design and concept drives the highest sales and therefore the most revenue. The business plan is pro forma to make sure that proposers understand operating at the Airport and can build a realistic looking profit and loss statement. RDM has focused on awarding leases based on store and restaurant concepts that have the most appeal, beautiful design, and serve popular food and types of merchandise is going to get the most satisfaction and highest sale.

**Commissioner Johns** commented that a proposer can have a great concept but can't succeed without great staff. She would like to discuss more.

**Vice President Crayton** noted the capital investment businesses must provide. She commented that a business plan for implementation should be as important as the proposed concept; the plan signals if they are going to be successful. She asked if the way Staff looked at evaluation criteria has changed.

**Ms. Nashir** responded that some criteria have been renamed in the last year or two to make them more descriptive. In addition, a key difference between retail leases and food and beverage leases is there is no financial offer on food and beverage contracts; that's why some of the points look different between the two types of business offers.

There were no further comments or questions from the Commissioners.

Item No. 3 was approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Guggenhime.

3. **Authorization to Accept Proposals for the Terminal 3 Boarding Area F Gourmet Grab and Go Market Lease**

No. 19-0152. Resolution approving the revised lease specifications, and authorizing Staff to accept proposals for the Terminal 3 Boarding Area F Gourmet Grab and Go Market lease.

**Ms. Cheryl Nashir, Director of Revenue, Development and Management** presented on the item to seek authorization to accept proposals for the Terminal 3 Boarding Area F Gourmet Grab and Go Market. On April 2, 2019, the Airport Commission authorized the issuance of an RFP for this Lease, which currently operates as InMotion Entertainment, an electronics retail store. Staff held an informational conference on May 8, 2019, which was attended by 75 different companies, more than half of which were first-time attendees. During this conference, Staff presented 4 food and beverages leases – the gourmet market, the employee café and the 2 small business set-aside leases. They collected comments from the industry, which were largely clarifying questions. There was one request for a business term change on this lease, which was for the Airport to consider lowering the minimum acceptable financial offer. Per the RFP, the minimum acceptable financial offer was initially set at \$330,000, and Staff is seeking approval to reduce this amount to \$250,000. The Airport has not leased a gourmet grab and go market before, and lowering the minimum acceptable financial offer is

advisable. It may mean that there will be more entities submitting a proposal for this space. Presently, the rent from InMotion Entertainment is \$192,000, which is a very solid improvement. There were a few questions posed regarding the gourmet grab and go market competing with the newly awarded, neighboring café location. Staff spend a lot of time ensuring the Airport is only leasing what is supportable. With approval, proposals will be accepted later in July, and Staff expect to be back before the Commission in September for award.

**President Mazzola** asked if the request from vendors to lower the MAG was new and if we lower will it set a precedent for the next group.

**Ms. Nashir** responded that the request is not uncommon and lowering the amount won't set a precedent. On the contrary, it shows Airport staff are open and listening.

**Vice President Crayton** noted that a few architects attended the conference.

**Ms. Nashir** clarified that some attendees are consultants looking for business but most are food and beverage.

There were no further comments or questions from the Commissioners.

Items 4 and 5 were called together. Items No. 4 and No. 5 were approved unanimously by a motion by Commissioner Crayton and a second by Commissioner Guggenheimer.

4. **Authorization to Accept Proposals for the Terminal 3 Boarding Area F Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside**

No. 19-0153. Resolution approving the revised lease specifications, minimum qualifications and proposed requirements, and authorizing Staff to accept proposals for the Terminal 3 Boarding Area F Food and Beverage Kiosk lease, a small business enterprise set-aside.

See Item No. 5 for the notes.

5. **Authorization to Accept Proposals for the Terminal 1 Boarding Area C Food and Beverage Kiosk Lease, a Small Business Enterprise Set-Aside**

No. 19-0154. Resolution approving the revised lease specifications, minimum qualifications and proposed requirements, and authorizing Staff to accept proposals for the Terminal 1 Boarding Area C Food and Beverage Kiosk lease, a small business enterprise set-aside

**Ms. Cheryl Nashir, Director of Revenue, Development and Management** presented on

the item to seek authorization to accept proposals for the Terminal 3 Boarding Area F Food and Beverage Kiosk and the Terminal 1 Boarding Area C Food and Beverage Kiosk, both Small Business Set-Asides. On April 2, 2019, the Airport Commission authorized the issuance of an RFP for these Leases, which currently operate as Fraiche Yogurt and Three Twins Ice Cream. In order to create more opportunity for smaller businesses, the Commission approved these Leases as Small Business Set-Asides. Staff held an informational conference on May 8, 2019, which was attended by 75 different companies. Of the 75, more than half were first-time attendees. Comments from proposers were largely clarifying questions that did not propose changes to the business terms. However, there were three identical requests to business terms for each lease: Would the airport lower the minimum qualifications concerning the size of the business a proposer needed to have managed or owned? Would the Airport increase the term from 7 to 10 years? Would the Airport lower the minimum acceptable financial offers? Staff recommends lowering the minimally qualifying sales from \$1M to \$750,000 (the requested amount was \$450,000). Prospective proposers will need to have managed or owned a business during three of the last five years with sales of at least \$750,000 per year. Staff also recommends increasing the term from 7 to 10 years. This change will not affect future base-building changes and makes sense with the rising construction costs. Finally, Staff recommends against any changes to the minimum annual guarantee based on the historical sales performance at each of these locations. With authorization to accept proposals for these two business offers, Staff will be back in September for award.

**Commissioner Johns** asked if the term increase means a 7-year term with the option to extend three more years or a full 10-year term.

**Ms. Nashir** clarified that it would be a straight 10-year term with no option to extend.

**Commissioner Johns** stated that 10 years is a long time and a lot will be new to the Airport.

**Vice President Crayton** said she is concerned about the timeframe.

**Ms. Nashir** responded that a longer amortization period for bank loans would make it more comfortable business deal. The 10-year is something that SBEs can manage.

**Vice President Crayton** asked if this is a change from previous offers.

**Ms. Nashir** responded that Staff have moved away from a 5-year terms with one 2-year options and then we made that a straight 7-year terms and now we are lengthening them. This increase is in response to construction costs and the need for that surety on loans.

**Vice President Crayton** commented that she is hopeful for new entrants to get the start that they need to participate at the Airport.

**Commissioner Yeung** asked for general information about SBEs, the percentage that would qualify as an SBE, and the possibility of disaggregating the data in future board packets.

**Ms. Nashir** responded that to qualify as an SBEs you must own a business and not have sales of more than \$7.5M for each year of the last 3 years. Managers could be considered an SBE with \$0 sales. This definition keeps big players out. Most of the SBEs were there for the two SBE kiosk locations. Staff published the RFP six weeks before the conference to provide more time. She estimates 20 companies in the audience of 75 that might qualify but also noted that some of the 75 in attendance were business partners; there weren't 75 different food and beverage operators in the group. She also confirmed that Staff can disaggregate info, including which leases attendees were interested in.

**Vice President Crayton** commented that Staff is doing a great job and she is interested in the other conference attendees and how to get them engaged and ready to participate at the Airport. She suggested a document to help new businesses get more involved in these proposals.

There were no further comments or questions from the Commissioners.

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

**6. Authorization to Accept Proposals for the Terminal 2 Employee Café Lease**

No. 19-0155. Resolution approving the revised lease specifications, minimum qualifications and proposed requirements, and authorizing Staff to accept proposals for the Terminal 2 Employee Café lease.

**Ms. Cheryl Nashir, Director of Revenue, Development and Management** presented on the item to seek authorization to accept proposals for the Terminal 2 Employee Café Lease. On April 2, 2019, the Airport Commission authorized the issuance of an RFP for this Lease. In order to increase interest in this opportunity, the Commission allowed Staff to alter the rent structure and remove the Minimum Annual Guarantee. Staff held an informational conference on May 8, 2019, which was attended by 74 different companies. Of the 74, about five were interested in the Café. Staff collected comments from the industry, and there were very few substantive changes requested. The two most substantive questions were: Can the Airport lower the Proposal Bond to \$10,000? Would the Airport be willing to change the profit share – increasing the Airport's percentage rent to 4% if the Airport was to take on the full cost of installing the hood in the kitchen? Staff recommends lowering the proposal bond from \$35,000 to \$10,000. This could very well allow more prospective proposers to submit a proposal. The purpose of this bond or deposit is to require the proposer to signify their commitment to follow through and execute a lease should they become the successful proposer. The Airport can draw this bond if the proposer, for instance, is chosen for award but decides it is no longer interested in giving the Airport some payment for time spent on the process. Staff recommends against participating in the installation of the hood in exchange for a

higher percentage rent. Staff does recommend, however, offering downside protection to the tenant as this is a uniquely challenging business requiring a substantial upfront investment and historically lower sales than almost all the food and beverage locations. Despite these facts, this is a very important amenity for the employee population. Staff recommends an early termination option which the tenant can exercise after Lease Year 2 should sales drop below \$1,800,000 annually, which is a financially sustainable level. If the tenant exercised this option, the Airport would pay the certified unamortized construction costs to the tenant in an amount no greater than \$500,000. The proposal deadline for this Lease is July 17, 2019, and Staff expects to be back in September for award.

**Vice President Crayton** praised the Airport's approach to the concept and benefits to applicants and said it demonstrates Staff effort to ensure the concept is feasible.

**Commissioner Johns** asked why the Airport is offering these changes in this particular lease.

**Ms. Nashir** responded that the location has comparatively low sales. The current employee café is making \$1.5M. This new location is better and the public can use it. But it must have value-pricing due to its vulnerable profit-loss statement with the same construction costs. Sales are lower because of price and employee-oriented nature.

**Commissioner Yeung** said he sees it as an employee benefit. He asked about the practice of limiting the buy-out to the unamortized costs.

**Ms. Nashir** responded that it is a practice the Airport has done in leases. The Airport will not pay if the company goes beyond construction costs, which Staff estimate based on research to be no more than \$500K. It is not feasible to try to ascertain lost business revenues, which is more subjective. Certified costs do not need judgment or negotiation.

There were no further comments or questions from the Commissioners.

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

7. **Approval of Phase C2 to Contract No. 10072.66 Design-Build Services for the Courtyard 3 Connector Project**  
**Hensel Phelps Construction Company**  
**\$13,468,296**

No. 19-0156. Resolution approving Phase C2 to Contract No. 10072.66, Design-Build Services for the Courtyard 3 Connector Project, with Hensel Phelps Construction Company, in the amount of \$13,468,296 for a new authorized not-to-exceed amount of \$78,633,416, with no change to the contract duration, and authorizing a corresponding contingency amount.

**Ms. Judi Mosqueda, Director of Project Management** presented on the item for approval of Phase C2 of the contract with Hensel Phelps. This approval will increase the contract amount by \$13.5M for a new contract amount of \$78.6M, with no change to the contract duration. The Courtyard 3 Connector Project will build a new pre-security and post-security connector between Terminal 2 and Terminal 3, as well as an adjacent six-level office building for Airport Commission executives and staff, Integrated Operations Center, tenant lease space, and passenger amenities. This Phase C2 approval will increase the contract amount to add Trade Bid Package Set Nos. 1 through 3 into the Contract. The trade packages include tower crane and man hoist; baggage handling system relocation; and the deep foundation piles. The trade packages also include a temporary relocation of the Security Operations Center and Communications Center; including general contractor, mechanical, electrical, plumbing and fire protection, and special systems. The Contract forecast is \$236.4M which is about \$4M over the Contract budget of \$232.6M. The Airport has experienced additional costs for the temporary relocation of the Security Operations Center and the Communications Center due to legacy equipment requiring updating and new backups. While the commission package states that the project remains on schedule to be substantially complete in April of 2021, the schedule has been impacted by the temporary relocation of the SOC and Comm. The relocation, with full cut over of critical 911 communications equipment, should be completed by end of September and delay impacts will be fully evaluated at that time. The LBE goals for this contract are 15% for design services and 20% for construction services.

There were no questions from the Commissioners.

**H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS**

The Consent Calendar, Item Nos. 8 through 10, was approved unanimously upon a motion by Commissioner Crayton and a second by Commissioner Guggenhime.

**8. Award of Contract No. 11295.61, Construction Services for the Electric Shuttle Buses and Electric Vehicle Charger Installation Project  
Becker Electric, Inc.  
\$2,556,778.77**

No. 19-0157. Resolution awarding Contract No. 11295.61, Construction Services for the Electric Shuttle Buses and Electric Vehicle Charger Installation Project, to Becker Electric, Inc., in the amount of \$2,556,778.77, with a contract duration of 280 consecutive calendar days, and with a corresponding amount in contingency authorization.

**9. Approval of Phase D1 to Contract No. 8427C.66, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project  
Walsh Construction Company II, LLC  
\$1,200,000**

No. 19-0158. Resolution approving Phase D1 to Contract No. 8427C.66, Design-Build Services for the Mel Leong Treatment Plant, Industrial Wastewater and Recycled Water Upgrades Project, with Walsh Construction Company II, LLC, to increase the contract amount by \$1,200,000 for a new total not-to-exceed amount of \$62,561,534 with no change to the contract contingency, and no change to the contract duration.

**10. Authorization to Issue a Request for Proposals for Contract No. 50219, National Explosive Detection Canine Team Program Training Services**

No. 19-0159. Resolution authorizing the issuance of a Request for Proposals for Contract No. 50219, National Explosive Detection Canine Team Program Training Services, for the San Francisco Police Department Airport Bureau K9 Unit, and negotiation with the highest-ranked proposer.

There were no questions or comments from the Commissioners on any of the items on Consent.

**I. 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.

Mr. **Jay Foster**, founder and co-owner of Farmerbrown in Terminal 1, reiterated his previous request to discuss extending the Farmerbrown lease at the Airport from 7 to 10 years and asked for next steps. In response to **Commissioner Crayton's** to say more about the issues, **Mr. Foster** stated that they are requesting the lease extension to 10 years. Most of the other businesses get a 10-year lease and he believes nothing else is going on in the Terminal. They have laid out in detail their request to end the lease.

**Vice President Crayton** asked how many years they are into their lease.

**Mr. Foster** stated it's a 7-year lease and there was a considerable investment in starting the business.

There were no further questions or comments from the Commissioners.

**J. CORRESPONDENCE:**

There was no discussion by the Commission.

**K. CLOSED SESSION:**

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

**L. ADJOURNMENT:**

There being no further calendared business before the Commission, the meeting adjourned at 10:01 A.M.

*(Original signed by: C. Corina Monzón)*

C. Corina Monzón

Airport Commission Secretary