

SAN FRANCISCO AIRPORT COMMISSION



MINUTES

Tuesday, July 7, 2020

9:00 A.M.

Meeting held by teleconference pursuant to the Governor's Executive Order N-29-20 and the Sixteenth Supplement to Mayoral Proclamation Declaring the Existence of a Local Emergency

LONDON N. BREED, MAYOR

COMMISSIONERS

LARRY MAZZOLA

President

ELEANOR JOHNS

Vice President

RICHARD J. GUGGENHIME

EVERETT A. HEWLETT, JR.

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, July 7, 2020

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A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:05 A.M. via teleconference.

B. ROLL CALL:

Present: Hon. Larry Mazzola, President
Hon. Eleanor Johns, Vice President
Hon. Richard J. Guggenlime
Hon. Everett A. Hewlett, Jr.
Hon. Malcolm Yeung

C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 16, 2020 were adopted unanimously upon a motion by Commissioner Johns and a second by Commissioner Guggenlime.

No. 20-0118. Regular meeting of **June 16, 2020**.

There were no questions from the Commissioners and no public comment.

D. SPECIAL ITEMS

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

1. Retirement Resolution for Mr. Antonio Borja

No. 20-0119. Retirement resolution thanking Mr. Antonio Borja for over 30 years of dedicated service to the City and County of San Francisco.

Director Satero presented on the item for Antonio Borja's retirement. Mr. Borja has had an incredible career with the City and County of San Francisco with over 30 years of service. He spent the first 10 years with San Francisco General Hospital and was hired by SFO in 2000, under the Design and Construction Division, as a Technical Engineering Assistant. He supported all the project managers and engineers in the development of base drawings. Mr. Borja was instrumental in organizing and managing the Airport's Engineering Records and Technical Library, ensuring ease of search for completed contracts design, as-built plans and record documents, and its conversion to a digital archives system currently used by various SFO Divisions. His dedication saved SFO millions of dollars with his diligent record keeping. In 2012, he was promoted to an Engineering Associate with the Electrical Engineering Section. Staff wishes him well in his retirement.

President Mazzola offered his congratulations, and **Commissioner Guggenhime** stated that the Airport was lucky to have Mr. Borja's services over all these years. **Mr. Borja** thanked the Commission for the opportunity and mentioned that he enjoyed every minute of his job.

There were no further comments from the Commissioners.

E. DIRECTOR'S REPORT (Discussion Only):

Airport Director Ivar Satero gave an update on the following:

COVID-19 Recovery to Resilience Framework Update: **Director Satero** updated the Commission on current trends at SFO and stated that the Airport is seeing the return of service with daily passenger loads of between 11,000 and 12,000 or 12%-15% of normal activity with an uptick in load factors of up to 40% over the past two weeks. There are approximately 400 to 450 daily operations compared to the normal amount of 1300 flights. SFO currently has 116 employees deployed as Disaster Service Workers (DSW) to the City. Seventy-two employees are working downtown in response to the COVID-19 emergency and 44 employees are working at SFO as Travel Well Ambassadors. The Airport has the most employees participating as DSW, after the Library which has closed operations, so all of their employees are serving as DSW. The Airport continues to pursue and support federal efforts for additional funding for airports. From the \$10 billion package for airports, SFO was approved to receive \$254 million. There is a proposal for an additional \$13 billion for commercial airport recovery efforts. The Airport continues to make every effort to enforce physically distancing with ground marking stickers and the installation of plexiglass barriers at contact points to protect employees, concessionaires, and passengers.

Airport concession tenants are in a phased reopening with 32 of 113 locations now open. Next month, another 12 will open, with a total of 20 by the end of August. Half of all airport concessions are scheduled to be open by the end of the summer. The Airport will convert the two months of rent forbearance to rent relief by waiver of April and May rent. All concessions are currently in MAG relief per their lease language until enplanements return to 80% of 2017 levels for two consecutive months.

Nationally, some states are implementing pre-testing and require self-quarantine for passengers from states experiencing an increase in COVID-19 cases. Alaska requires testing for travel. Hawaii requires quarantine. New York, New Jersey, Massachusetts, and Connecticut are using metrics on which states will require quarantine. For example, if a state has a 10-positive rate per 100 thousand residents they get on that list for travel. Most recently, City of Chicago announced an emergency travel order, using the metric of 15 cases per 100 thousand residents.

Commissioner Yeung said he was happy to see that the Airport was helping concessionaires and asked if any tenants have permanently closed. **Director Satero** responded there are none that have indicated closure; however, the Airport anticipates one or two requests for a change in ownership, as allowed in Airport leases.

President Mazzola asked if DSW workers are new or furloughed employees, and **Director Satero** clarified that all City employees are deemed DSW and that existing Airport staff that have been enlisted to support the City's COVID-19 response and work as Travel Well Ambassadors at the Airport. **President Mazzola** asked if the DSW workers were furloughed or on payroll. **Director Satero** confirmed that they are on payroll, and no Staff have been furloughed without pay.

There were no further questions from the Commissioners and no public comment.

F. ITEMS INITIATED BY COMMISSIONERS (Discussion Only):

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 Guggenhime and a second by Commissioner Johns.

2. Authorization to Sell an Additional \$607,155,000 Aggregate Principal Amount of Previously Approved San Francisco International Airport Second Series Revenue Refunding Bonds

No. 20-0120. Resolution authorizing the sale of an additional \$607,155,000 aggregate principal amount of previously approved San Francisco International Airport Second Series Revenue Refunding Bonds.

Kevin Kone, Acting Chief Financial Officer presented on the item requesting authorization to sell an additional \$607,155,000 of San Francisco International Airport Revenue Refunding Bonds.

Mr. Kone provided background on the process by which the Airport sells General Airport Revenue Bonds to support the its capital plan. Staff first request the Commission's approval to issue revenue bonds. Secondly, the request is then presented to the City's Capital Project's Committee, and then it is sent to the full Board of Supervisors for their approval. Once Staff receives the Board's approval, they return to the Airport Commission to authorize the sale of bonds. These Refunding Bonds can be sold in a public offering or sold directly to a bank or affiliates in one of the Commission's pre-qualified pools, or another qualified buyer that meets the requirements of the Commission's Debt Policy.

The amount of \$607,155,000 is the upper limit of bonds the Airport could refund. The actual transaction is forecasted to be closer to \$217,000,000 and produce \$59,000,000 in savings that may provide near term debt service relief for the Airport. If interest rates drop, this could increase the size of the transaction to refund more bonds. Staff are targeting the first week of August to sell the refunding bonds. The bonds will be sold through Bank of America Securities, Barclays and Seibert Williams Shank based in Oakland, CA.

Commissioner Guggenlime asked if the \$607,155,000 authorized additional authority up to the Airport's limit, and **Mr. Kone** clarified that the Airport currently has \$577 million in authority, but are asking for an additional \$607 million as a safety net in case the Airport is unable to sell commercial paper. **Commissioner Guggenlime** responded that current interest rates support having larger amounts available.

There were no further questions from the Commissioners and no public comment.

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

3. **Authorization to Issue Request for Qualifications No. 50244 to Establish an As-Needed Pool of Consultants to Provide Professional Services for Federal National Environmental Policy Act (NEPA) Planning**

No. 20-0121. Resolution authorizing issuance of Request for Qualifications No. 50244 to establish an as-needed pool of consultants to provide professional services for federal National Environmental Policy Act (NEPA) planning.

Nupur Sinha, Acting Director of Planning and Environmental Affairs presented the item seeking approval to issue an RFQ to Establish an As-Needed Pool of Consultants to Provide Professional Services for Federal National Environmental Policy Act Planning. The National Environmental Policy Act (or "NEPA") is a federal law that requires federal agencies to assess the environmental impacts of their proposed actions prior to making decisions. Airport projects that require Federal Aviation Administration review are subject to NEPA and must adhere to FAA Orders implementing NEPA.

The Airport relies on successfully fulfilling FAA NEPA requirements to obtain Federal funding for critical infrastructure projects, without which many projects could not be completed. The as-needed pool list of consultants would assist Staff with conducting NEPA environmental review of ongoing capital projects and anticipated Recommended Airport Development Plan projects according to FAA rules and regulations. The Recommended ADP includes both landside and airside redevelopment, including development of a new boarding area with international and domestic swing gates, redevelopment of the Central Garage, and renovation/redevelopment of airport and airline support facilities to enhance operations and passenger levels of service. The anticipated scope of work includes assisting with strategic pre-planning, preparing environmental documents, conducting technical analysis, preparing studies, assisting with agency consultations, providing specialized planning support, and supporting staff as needed on a project-by-project basis.

The Airport Commission last established a pool list of competitively selected consultants to provide as-needed NEPA Planning Consulting Services on December 22, 2015. The current as-needed NEPA contract from that pool will expire at the end of January 2021.

A panel of subject matter experts would be convened to evaluate and score each statement of qualifications that meets the minimum qualifications. Staff will return to the Commission to request approval of the selected consultant pool and enter into contract negotiations. Upon identification of a specific scope of work, Airport staff will either assign work to pre-qualified firms in the pool or select a firm to perform the work through issuing a further solicitation to select from among the pre-qualified firms. Staff will again return to the Commission to request approval of contract award when a specific scope is identified.

Staff is working with the City's Contract Monitoring Division to develop a Local Business Enterprise subconsultant participation requirement for the RFQ.

There were no questions from the Commissioners and no public comment.

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS

The Consent Calendar, Item Nos. 4 through 7, was approved unanimously upon a motion by Commissioner Guggenheimer and a second by Commissioner Johns.

4. **Authorization to Exercise the Sole One-Year Option to Extend the Term of the International Terminal Equipment Maintenance and Operating Agreement No. 12-0064**
San Francisco Terminal Equipment Company, LLC

No. 20-0122. Resolution authorizing to exercise the sole one-year option to extend the term of the International Terminal Equipment Maintenance and Operating Agreement No. 12-0064, with San Francisco Terminal Equipment Company, LLC, through June 30, 2022.

5. **Award of Professional Services Contract No. 50246 for Trustee and Issuing and Paying Agent Services**
U.S. Bank National Association
\$100,000

No. 20-0123. Resolution awarding Professional Services Contract No. 50246 for Trustee and Issuing and Paying Agent Services, to U.S. Bank National Association, in an amount not to exceed \$100,000 for a term of five years with two 2-year options to extend.

6. **Approval of Substitution of Piper Sandler & Co. for Piper Jaffray & Co. to the Pool of Pre-Qualified Investment Banking Firms Established in Connection with the Airport's Capital Financing and Debt Management Program**

No. 20-0124. Resolution approving the substitution of Piper Sandler & Co. for Piper Jaffray & Co. to the pool of pre-qualified investment banking firms established in connection with the Airport's Capital Financing and Debt Management Program.

7. **Addition of UBS AG, Stamford Branch, to the Pool of Pre-Qualified Financial Institutions to Provide Credit and/or Liquidity Facilities to Support Commission Bonds and Commercial Paper Notes and/or Purchase Bonds or Notes Directly**

No. 20-0125. Resolution approving the addition of UBS AG, Stamford Branch, to the pool of pre-qualified financial institutions to provide credit and/or liquidity facilities to support Commission bonds and Commercial Paper Notes and/or purchase bonds or notes directly.

There were no questions from the Commissioners and no public comment.

I. NEW BUSINESS:

Barry Taranto commented that he has been working with Seth Morgan on initiatives related to providing better taxi service to customers, providing masks and cleaning supplies to drivers, and receiving online payments. Most of these initiatives have been accomplished and he expressed his gratitude to Mr. Morgan and Airport staff for efficient implementation of these procedures. Lastly, Mr. Taranto commented that there are peak times with heavy demand for taxis.

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 9:42 A.M.

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