



October 5, 2018

The Honorable Malia Cohen
President of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place
City Hall, Room 244
San Francisco, CA 94102

BY EMAIL & US MAIL

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Subject: Release of Board Reserves for Airport Capital Plan

Dear President Cohen:

On May 9, 2017, the Board of Supervisors approved the ordinance appropriating \$4,832,455,418 of proceeds from the sale of San Francisco International Airport (SFO) revenue bonds or commercial paper to support the implementation of SFO’s Capital Improvement Plan (CIP). Of this amount, \$2,732,455,418 was placed on Board of Supervisors Reserve (File No. 170200/ORD No. 106-17). SFO now requests these reserves be calendared for release by the San Francisco Board of Supervisors to the Airport Commission to support the continued delivery of the Airport’s CIP projects.

Since May 2017, SFO has spent more than \$1.3 billion implementing its CIP, averaging a monthly capital spend rate of \$80 million. Construction has significantly ramped up over the past six months as key project milestones were met.

The release of reserves will enable SFO to continue to make important progress on projects designed to address passenger traffic growth and meet demand-driven terminal gate needs. SFO concluded Fiscal Year 2017-18 with a record high 57.8 million total passengers – a new record high for the seventh consecutive year.

Capital Projects to be funded by the release of reserves consist of: (a) terminal improvements, including the Terminal 1 Reconstruction Project and the Terminal 3 West Redevelopment Project; (b) groundside improvements such as the AirTrain System extension and roadway repairs; (c) airfield improvements to our runways and taxiways; (d) airport support improvements in technology and security; and (e) utility improvements, including upgrades to the waste water treatment plant.

In anticipation of the Airport’s next bond issuance slated for January 2019, the Airport now requests that \$2,732,455,418 be released to the Airport Commission.

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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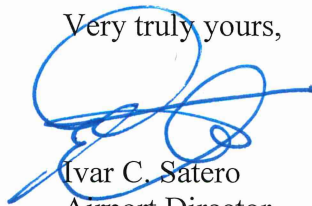
RICHARD J. GUGGENHIME

PETER A. STERN

IVAR C. SATERO
AIRPORT DIRECTOR

Please let me know if you need additional information regarding the release of Board reserve funds.

Very truly yours,



Ivar C. Satero
Airport Director

cc: Angela Calvillo, Clerk of the Board

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