

OFFICE OF THE MAYOR
SAN FRANCISCO



File No. 030132
ORD. No. 35-03
WILLIE LEWIS BROWN, JR.
BOARD OF SUPERVISORS
SAN FRANCISCO
2003 MAR 10 AM 8:01
BY _____ *BR*

March 7, 2003

Honorable Matt Gonzalez, President
Members, San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102

Dear President Gonzalez and Members:

I am returning the ordinance appropriating funding for the investigation and litigation against Tutor-Saliba Construction (File No. 030132).

I believe it is in the best interest of the City to proceed with a different funding mechanism for this litigation--one that would allow the City to achieve the objectives articulated by the City Attorney, but in a manner that would be fair and equitable to the Airlines and Airport users, who provide revenue to the Airport. The City Attorney has informed me that he is willing to explore such an arrangement with me, the Board of Supervisors, the Airport Commission and the Airport Director.

Instead of appropriating only \$2.5 million in funding, I propose that the Airport advance the entire amount requested by the City Attorney for the Tutor-Saliba litigation. The Airport Commission, with the consent and approval of the Mayor and Board of Supervisors, would advance the total amount of the estimated funds (\$7.5 million) from the Airport Revenue Fund to the City Attorney's budget. The advance would be reimbursed with interest, through quarterly deductions from the Annual Service Payments paid to the City pursuant to the 1981 City/Airline Settlement Agreement and Lease and Use Agreements. The terms and conditions of this Advance Agreement would be in writing and could follow the general parameters of the 1992 \$25 million Advance Agreement entered into among the Mayor, the Airport Commission, the Board of Supervisors and certain airlines.

A key provision of this Advance Agreement would be that any extra winnings in the case beyond general, compensatory damages accrue primarily to the General Fund. As such, it would benefit the General Fund and allow the City Attorney to manage the litigation without budgetary oversight by the Airport at no financial risk to the Airport or Airlines.

I believe that above Agreement structure allows the City to proceed with the Tutor-Saliba litigation in a fair and equitable manner that all parties can embrace.

Sincerely,

A handwritten signature in black ink, appearing to read "Willie Brown", written over a horizontal line.

WILLIE L. BROWN, Jr.
Mayor

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200 SAN FRANCISCO, CALIFORNIA 94102

(415) 554-6141

RECYCLED PAPER

1 [To appropriate funding for the investigation and litigation against Tutor-Saliba Construction.]

2
3 **Ordinance appropriating, retroactive to July 1, 2002, \$2,500,000 of Airport fund balance for**
4 **investigation and litigation expense by the City Attorney against Tutor-Saliba Construction for**
5 **fiscal year 2002-03.**

6
7 Be it ordained by the People of the City and County of San Francisco:

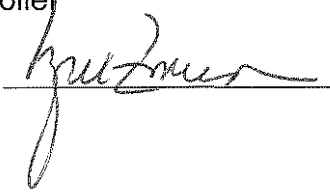
8 Section 1. Funds are hereby appropriated, retroactive to July 1, 2002, for FY 2002-03 as
9 follows:


11 Department	12 Sources of Funds	13 Amount
14 And Number	15 and Purpose of	16 Debit
17 Appropriation	18 Credit	
<u>Fund</u>	<u>Department</u>	<u>Program</u>
15 5A-AAA-AAA	AIR	BGF
16 SF International	SF International Airport	Administration,
17 Airport Fund		Business
18 <u>Funding Sources</u>		
19 999-99999B	Use of Fund Balance	\$2,500,000
20 (AIROPRIND)		

21
22
23
24
25
ck
Supervisors Aaron Peskin, Chris Daly , Tom Ammiano, Matt Gonzalez, Jake McGoldri
Board of Supervisors Sophie Maxwell

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Department And Number	Sources of Funds and Purpose of Appropriation	Debit	Amount Credit
<u>Fund</u>	<u>Department</u>	<u>Program</u>	
5A-AAA-AAA	AIR	BGF	
SF International Airport Fund	SF International Airport	Administration, Business	
<u>Funding Uses</u>			
<u>Project</u>	Legal Services		
PACA08			
<u>Funding Use</u>			
081-081CT (AIRLEGAL)	Services of Other Departments		\$2,500,000
	Total 5A-AAA-AAA	\$2,500,000	\$2,500,000

FUNDS AVAILABLE
EDWARD M. HARRINGTON
Controller
By: 

APPROVED AS TO FORM:
DENNIS J. HERRERA, City Attorney
By: 
Deputy City Attorney



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Ordinance

File Number: 030132

Date Passed:

Ordinance appropriating, retroactive to July 1, 2002, \$2,500,000 of Airport fund balance for investigation and litigation expense by the City Attorney against Tutor-Saliba Construction for fiscal year 2002-03.

February 18, 2003 Board of Supervisors — PASSED ON FIRST READING

Ayes: 10 - Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, McGoldrick,
Peskin, Sandoval
Absent: 1 - Newsom

February 25, 2003 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, Maxwell, Newsom, Peskin,
Sandoval
Excused: 1 - McGoldrick

March 7, 2003 Mayor — VETOED

March 25, 2003 Board of Supervisors — FINALLY PASSED

Ayes: 10 - Ammiano, Daly, Dufty, Gonzalez, Ma, Maxwell, McGoldrick, Newsom,
Peskin, Sandoval
Noes: 1 - Hall

