

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 16-0169

AUTHORIZATION TO SUBMIT FISCAL FEASIBILITY REPORT TO AND SEEK FINDING FROM THE SAN FRANCISCO BOARD OF SUPERVISORS THAT THE PROPOSED TERMINAL 2 TO TERMINAL 3 SECURE CONNECTOR PROJECT IS FISCALLY FEASIBLE AND RESPONSIBLE PURSUANT TO ADMINISTRATIVE CODE CHAPTER 29

WHEREAS, San Francisco Administrative Code Chapter 29 requires that prior to initiating environmental review, City departments proposing a project that is estimated to have implementation or construction costs greater than \$25,000,000 and use more than \$1,000,000 in public monies prepare a financial feasibility study and submit it to the Board of Supervisors for a finding that the proposed project is fiscally feasible and responsible; and

WHEREAS, the Project would construct a secure connector between Terminal 2 and Terminal 3 and 91,000 square feet of office space located above Courtyard 3. The Project addresses the need to provide post-security passenger connectivity between terminals, facilitates repurposing of post-security leasable space in the International Terminal for its highest and best use as airline functions, and provides space for terminal related administrative activities in a centralized office block; and

WHEREAS, the proposed Project is estimated to cost \$172 million and is included in the Airport's 5-year Capital Plan; now, therefore, be it

RESOLVED, that the Commission hereby authorizes the Director to submit a Fiscal Feasibility Study to and seek a finding from the Board of Supervisors that the proposed Terminal 2 to Terminal 3 Secure Connector Project is fiscally feasible and responsible under San Francisco Administrative Code Chapter 29.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of _____ **JUN 01 2016** _____

Juan Carraletti
Secretary



San Francisco International Airport

MEMORANDUM

June 1, 2016

TO: AIRPORT COMMISSION
Hon. Larry Mazzola, President
Hon. Linda S. Crayton, Vice President
Hon. Eleanor Johns
Hon. Richard J. Guggenlime
Hon. Peter A. Stern

FROM: Airport Director

SUBJECT: Authorization to Submit Fiscal Feasibility Report to and Seek Finding from the Board of Supervisors that the Proposed Terminal 2 to Terminal 3 Secure Connector Project is Fiscally Feasible and Responsible under San Francisco Administrative Code Chapter 29

DIRECTOR'S RECOMMENDATION: AUTHORIZE THE DIRECTOR TO SUBMIT FISCAL FEASIBILITY REPORT TO AND SEEK FINDING FROM THE BOARD OF SUPERVISORS THAT THE PROPOSED TERMINAL 2 TO TERMINAL 3 SECURE CONNECTOR PROJECT IS FISCALLY FEASIBLE AND RESPONSIBLE UNDER SAN FRANCISCO ADMINISTRATIVE CODE CHAPTER 29

Executive Summary

Transmitted herewith for your approval is a proposed Resolution authorizing the Director to submit a Fiscal Feasibility Report to and seek a finding from the Board of Supervisors that the proposed Terminal 2 to Terminal 3 Secure Connector Project (Project) is fiscally feasible and responsible under San Francisco Administrative Code Chapter 29.

The Project would construct a secure connector between Terminal 2 and Terminal 3 and 91,000 square feet of office space located above Courtyard 3. The Project addresses the need to provide post-security passenger connectivity between terminals, facilitates repurposing of post-security leasable space in the International Terminal for its highest and best use as airline functions, and provides space for terminal related administrative activities in a centralized office block.

Background

Pursuant to Chapter 29 of the San Francisco Administrative Code, a proposed project, as defined under the California Environmental Quality Act (CEQA), with estimated implementation or construction costs greater than \$25,000,000 and requiring more than \$1,000,000 in public monies is required to be submitted to the Board of Supervisors for a determination of whether the plan for undertaking and implementing the project is fiscally feasible and responsible. The proposing City department must prepare a fiscal feasibility study and submit it to the Board of Supervisors

THIS PRINT COVERS CALENDAR ITEM NO. 4

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

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VICE PRESIDENT

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JOHN L. MARTIN
AIRPORT DIRECTOR

with a request for a fiscal feasibility determination prior to submitting the project to the San Francisco Planning Department for environmental review under CEQA. The Board of Supervisors reviews the project plan and its proposed implementation and issues a formal determination of whether the project is fiscally responsible and feasible.

The Fiscal Feasibility Report (Report) studied the secure connector location, identifies space requirements and potential uses for a new office block, and studied optimized uses for office space in the International Terminal to address passenger amenities and air carrier space needs. The Report found that the proposed office space is expected to generate significant non-concessions revenue, and that the secure connector may provide passengers with more opportunities for concessions spending.

The Project would construct a secure connector to benefit connecting passengers who would not need to leave the secured area and pass through a security screening checkpoint again to make connecting flights. The office block is proposed to be built above and adjacent to the secure connector and would be up to six stories tall.

The proposed Project budget is \$172,000,000, and the Project is included in the Airport's 5-year Capital Plan.

A copy of the Report for the Project is attached for information.

Recommendation

Based on the above, I recommend that the Commission authorize the Airport Director to submit a Fiscal Feasibility Study to and seek a finding from the Board of Supervisors that the proposed Terminal 2 to Terminal 3 Secure Connector Project is fiscally feasible and responsible under San Francisco Administrative Code Chapter 29.



John L. Martin
Airport Director

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Deputy Airport Director
Design & Construction

Attachments