

LEGISLATIVE DIGEST

[Administrative Code - Aviation Support Services/Airport Leases]

Ordinance amending the San Francisco Administrative Code Section 2A.173 to authorize the Airport Commission to enter into leases with entities providing aviation support services without competitive bidding for a term not to exceed 10 years.

Existing Law

Existing law provides that the Airport Commission shall have power to negotiate and execute leases of airport lands and space in airport buildings, without necessity for competitive bidding, to any person, firm, or corporation engaged in air transportation or the provision of utility services to the public. Concession leases must be competitively procured.

Amendments to Current Law

The proposed amendment would authorize the Airport Commission without competitive bidding to award leases to entities providing aviation support services to one or more air transportation providers. Such leases would be limited to a term not to exceed 10 years. Aviation support services would be limited to direct support services for airport transportation including but not limited to: servicing, cleaning and provisioning of aircraft; handling, transfer and temporary storage of cargo and mail; inspection, maintenance and repair of aircraft and ground service equipment; handling of passengers and baggage; operations support and crew administration; loading and unloading of passengers, baggage and cargo; fueling of aircraft and other ramp support services; and/or checkpoint screening and perimeter control. Construction, demolition, or development would not be considered an aviation support service.

Background Information

Air transportation providers (passenger airlines and cargo carriers such as FedEx) contract for a variety of aviation support services. Those support service providers typically require cargo facility or other Airport (usually airfield) space to perform their services. Some airlines/air carriers lease facilities from the Airport to sublease to their service providers. In other cases, the Airport has accommodated aviation service providers through temporary permits. The Airport would prefer a more stable arrangement by lease agreement. Leases to aviation support service providers would facilitate Airport airfield facility planning and operation, and increase the long-term revenue base. A competitive lease procurement is impracticable because the airlines select their own aviation service providers.