



May 23, 2018

TO: San Francisco Board of Supervisors Budget and Finance Committee
 Supervisor Malia Cohen, Chair
 Supervisor Sandra Lee Fewer, Vice Chair
 Supervisor Catherine Stefani
 Supervisor Jeff Sheehy
 Supervisor Norman Yee

SUBJECT: Airport's Follow-up to May 17, 2018 Budget & Finance Committee Hearing

At the Board of Supervisors Budget and Finance Committee meeting of May 17, 2018, Committee members had a series of questions about proposed Airport budget items and policies. I would like to take the opportunity to follow-up in detail below on these outstanding issues and am prepared to discuss them further at the May 25, 2018 Committee meeting as well.

POLICE STAFFING

What's driving increased need for police officers? (Supervisor Cohen)

Passenger traffic at San Francisco International Airport (SFO) has increased substantially over the last 20 years from 39.7 million passengers in 1997 to 54 million passengers in 2017. San Francisco Police Department Airport Bureau (SFPD-AB) budgeted positions have not kept pace with the increased passenger growth. Passenger levels have increased by 36% and SFPD-AB budgeted positions have increased by 9%.

- 1997: 130 Officer level positions budgeted
- 2017: 142 Officer level positions budgeted

Additionally, since 1997, the Airport has added 2.6 million square feet of terminal space and growth will continue with future development and construction. Consistent security coverage is required for all airfield and construction projects.

- 1998 Rental Car Facility opened
- 2000 International Terminal Building opened
- 2003 AirTrain System began operations
- 2003 SFO BART Station opened

The Airport needs to manage the impact of increased vehicular traffic by Transportation Network Companies (TNCs) such as Lyft and Uber (687,000 trips in 2017). Additionally, we must ensure a strong, visible security presence to mitigate the threat of active shooter incidents and address global terrorism in public areas of the Airport.

Are there any federal dollars to assist with ramping up police at the Airport? (Supervisor Cohen)

Beyond federal appropriations for the Transportation Security Administration (TSA), Department of

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Homeland Security and Customs and Border Protection, there is limited opportunity to leverage federal dollars for increased police presence at airports. The TSA is responsible for funding only its own operations, primarily screening at checkpoints and baggage screening.

SFO Finance and Governmental Affairs staff have researched potential federal grant opportunities for law enforcement and have not found any that provide for additional police staffing.

Zero-based staffing plan (Supervisor Cohen)

The Airport’s police officer staffing level has remained roughly the same for the past decade, at just over 140 budgeted officer positions. In the aftermath of active shooter incidents at Fort Lauderdale Airport and LAX and terrorist attacks at airports in Europe, in 2017, SFO’s Safety & Security team and the SFPD-AB conducted a detailed analysis of the resources needed to address these types of threats. Staff analyzed incident reports, dispatch calls for service, arrests, annual passengers, retail operations, and new facilities over the period of 1997 to 2017. The resulting analysis was a zero-based staffing plan, which calls for an increase in the number of officers at the Airport from the current budget of 142 to 287 over the course of three years. The best way to deter threats, and to respond quickly to threats when they arise, is with a highly visible police presence on patrol in the terminals and around our airfield perimeter.

Police positions compared to other airports (Supervisor Stefani)

The SFPD-AB has surveyed other Category X/Gateway Airports and found varying staffing models. For example, LAX has 543 sworn and 450 Police Service Aides (PSAs). They cover 3,500 acres and 128 gates compared to SFO’s 5,207 acres and 115 gates. Additionally, according to the Department of Homeland Security, the Los Angeles Region is the number 4 terrorist target with the San Francisco Region ranking number 5.

City, State, Airport Code	2016 Total Passengers	2017 Total Passengers	Acres	Sworn Personnel 2017	Gates
Los Angeles (LAX)	80.9 M	84.6 M	3,500	543	128
Port Authority NYNJ*	59.1 M	59.3 M	5200	619	128
Denver CO (DEN)	58.2 M	61.4 M	33,531	130	137
San Francisco CA (SFO)	53.0 M	55.8 M	5,207	184	115
Las Vegas NV (LAS)	47.5 M	48.5 M	2,800	101	92
Seattle WA (SEA)	45.7 M	46.9 M	2,500	104	88
Miami FL (MIA)	44.5 M	44.1 M	3,300	166	131
Charlotte NC (CLT)	44.4 M	45.9 M	5,558	75	111
Phoenix AZ (PHX)	43.3 M	43.9 M	3,400	108	116
Fort Lauderdale, FL (FLL)	29.2 M	32.5 M	1,380	98	66

*Port Authority covers JFK, EWR and LGA.

EMPLOYMENT OPPORTUNITIES/OUTREACH

Employment opportunities for seniors/people with disabilities (Supervisor Yee)

The Airport has many seniors and people with disabilities who are successfully employed with airline catering companies, food and beverage and retail tenants, as well as at the SFO Rental Car Center. These employers offer around-the-clock shifts as well as numerous part-time and on-call opportunities that often work well for individuals needing flexible and alternative schedules. Work varies by employer – from food preparation, to shuttling rental cars from one terminal to another, to customer service. Most of these jobs are covered by the City’s First Source hiring policy, and the Airport works closely with the Office of Employment and Workforce Development (OEWD), the Human Services Agency (HSA), and community-based organizations to recruit for these positions.

SFO’s Office of Economic and Community Development (ECD) is working with OEWD on a new entry-level training program for our on-Airport hotel, and was recently selected as a training organization by Self-Help for the Elderly.

Along with SFPUC, we are also looking into piloting a Neurodiversity Workforce Program with our tenants and contractors that would identify internships and jobs for SF residents who are on the autism spectrum, or who have a diagnosis of severe ADHD, Down syndrome, or other learning differences. All of these individuals are existing clients of the California Department of Rehabilitation (DOR).

The Airport is currently participating in a DHR pilot that places Access to City Employment (ACE) program candidates into Temporary Exempt positions as an entry-way into Civil Service. We currently have two employees hired under this pilot.

How many internships lead to jobs at the Airport? (Supervisor Fewer)

SFO offers two internship tracks designed to lead into Airport Commission positions. Over the past few years, over 70% (20/28) of our Custodial Track graduates transitioned into permanent civil service positions, and 51% (120 out of 235) of our Student Design Trainees in Planning, Design, and Construction and Information Technology and Telecommunications continued in follow-on positions with the Airport Commission (Commission). For our programs that are not designed to lead to Commission positions, including our high school internship programs, typically 70% of these interns transition into part-time and full-time positions at private Airport employers.

Plans to incorporate Prop J positions into permanent civil service positions? (Supervisor Fewer)

The Airport currently has four Proposition J contracts. The following contracts were approved in the FY16/18 budget cycle and were resubmitted for the FY18/20 budget cycle:

- Employee and Public Parking Management Services
- Information Booth and Guest Assistance Services
- SFO Hotel Shuttle Inc.
- Security Services

We will assess the various job functions used by the Airport's Prop J service providers and consult with DHR and the Civil Service Commission to determine the feasibility of bringing these functions in-house as City jobs.

As leases expire over the next few years for certain services at the Airport, such as the rental of luggage carts, we will determine the feasibility of bringing these services in-house to provide entry level jobs for San Francisco residents.

Local hiring policy for Airport hiring in addition to construction jobs? (Supervisor Fewer)

At this time, the City and County's Local Hire legislation only applies to construction opportunities. For non-construction, the Airport ensures the City & County's First Source hiring provisions are included in all of our relevant agreements.

OEWD is the regulatory authority for both Local Hire and First Source, and our work order with OEWD includes funding for overseeing SFO's compliance with these two pieces of legislation.

To maximize compliance and opportunities for disadvantaged individuals, the Airport's ECD staff works with each of our tenants to ensure they post all entry-level jobs with OEWD. Our tracking shows that approximately 90% of the job placements reported last year at the Airport (1,141) were for entry-level positions.

Job opportunities/outreach to homeless population? (Supervisor Fewer)

Airport ECD staff works with HSA and their network of homeless providers on referring participants to our jobs, including the following:

- Downtown Streets Team
- Back on My Feet
- Community Housing Partnership
- Hospitality House
- Episcopal Community Services

SFO participates in tours, presentations and workshops specifically targeted to these homeless providers, and has had success with hires at airline catering companies.

TERMINAL CURBSIDE CONGESTION

Curbside Congestion Mitigation (Supervisor Fewer)

Traffic Improvement Goals

- Reduce vehicle back-ups beyond the International Terminal on Domestic Terminal inbound roadways
- Maintain minimum average speed of 15 mph on the inbound roadways

The Airport has determined that 50% (one of every two cars) on terminal roadways is a TNC and has developed a phased TNC Traffic Improvement Plan to improve curbside congestion. Phase 1 contains

short-term mitigations designed to incrementally alleviate curbside and terminal traffic congestion by redistributing TNC traffic along the Terminal curbs and moving a portion of TNC operations to Level 5 of the Domestic Garage. Phases 2-3 provide longer term projects and solutions for moving additional (or potentially all) TNC pick-up operations to Level 5 of the Domestic Garage if these short-term measures are not successful in reducing terminal roadway congestion. The plan includes improvements to the garage to improve the customer experience.

COMMERCIAL TRANSPORTATION

TNC and taxi fees (Supervisor Sheehy)

TNCs are charged \$3.80 for each pick-up and \$3.80 for each drop-off while the taxi trip fee is set at \$5.00 per pick-up only, based on a cost recovery methodology where costs totaling \$123.3M for FY18/19 are allocated to the projected vehicle trips.

TNC and taxi authorization to operate (Supervisor Sheehy)

- TNCs operate under an Airport-issued permit
- Taxis operate under the authorization of the SFMTA medallion program

Taxi medallion cost recovery assistance? (Supervisor Sheehy)

Under federal and state law, waiving taxi trip fees or directing Airport funds to assist medallion owners to recover the cost for the taxi medallions would be problematic.

Waiving taxi trip fees would contravene the federal law mandate that airports be financially self-sustaining. Commercial users of the Airport must pay for their share of the costs associated with Airport operations and maintenance. Such a waiver would necessitate higher trip fees to other modes of ground transportation and/or would necessitate the cost be added to the calculation in determining airline landing fees and terminal rental rates, which would violate the Airport's Airline Lease and Use Agreement which mandates the Airport maximize revenues from non-airline users.

Directing Airport funds to assist medallion owners to recover the cost for taxi medallions would likely be considered a diversion of revenue in violation of federal airport regulations and an illegal gift of public funds in violation of the California Constitution.

Cost recovery calculations (Supervisor Sheehy)

Total cost allocation to various ground transportation modes is projected to be:

- \$123.4M for FY18/19 consisting of -
 - Operating costs - \$94.8M
 - i. Landside Operations
 - ii. Police & Fire departments
 - iii. Utilities maintenance and other administration
 - iv. All ground transportation staging lots including the taxi staging area in the domestic garage

- v. Additional infrastructure improvements for the 5th floor of the domestic garage reconfiguration
 - o Debt Service - \$28.6M
 - vi. Roadway construction
 - vii. Roadway and intersection improvements & repairs
 - viii. Roadway signal and signage improvements
 - ix. Ground Transportation Management System (GTMS)

Allocation of costs for TNCs and taxis (Supervisor Sheehy)

For FY18/19, costs are not allocated directly by specific modes (i.e. TNCs). All costs are aggregated and divided by the total number of projected vehicle trips separated by low occupancy commercial vehicles (TNCs & limousines), high occupancy commercial vehicles (shuttles, vans, buses), taxis and private vehicles.

Since taxis operate under the SFMTA medallion program, changes to taxi trip fees must be approved by SFMTA.

Amount collected in taxi trip fees (Supervisor Sheehy)

	FY15/16	FY16/17	FY17/18 Est.
Taxi Trip Fee Revenue	\$7.21M	\$6.97M	\$6.07M

How much charged to other modes? (Supervisor Sheehy)

	FY17/18 (per trip)	Proposed FY18/19 (per trip)
Scheduled/Charter Buses	\$3.30	\$3.60
Pre-arrange & Shared Ride Vans	\$3.60	\$3.60
Off-airport Parking & Hotel Shuttles	\$3.60	\$3.60
Limousines	\$3.80	\$3.60*/\$5.00**
TNCs	\$3.80	\$3.60*/\$5.00**
Taxi (pick up only)	\$5.00	\$5.00
* \$3.60 = 5 th floor of domestic garage pickup/drop-off ** \$5.00 (\$3.60 + \$1.40) = Includes a terminal curbside access fee of \$1.40 per pickup or drop-off		

Please do not hesitate to contact me if you have questions or would like additional information.

Very truly yours,



Ivar C. Satero
 Airport Director