



San Francisco International Airport

MEMORANDUM

November 22, 2016

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

FROM: Airport Director

SUBJECT: Proposed Ordinance Waiving Fiscal Feasibility Study and Determination Requirements under Chapter 29 of the San Francisco Administrative Code for the Recommended Airport Development Plan and Recommendation to the Board of Supervisors to Adopt the Proposed Ordinance

DIRECTOR’S RECOMMENDATION: ADOPT THE RESOLUTION APPROVING THE FORM OF PROPOSED ORDINANCE EXEMPTING THE PROPOSED RECOMMENDED AIRPORT DEVELOPMENT PLAN (ADP) FROM CHAPTER 29 OF THE SAN FRANCISCO ADMINISTRATIVE CODE, AND THEREBY WAIVING, THE REQUIREMENTS FOR A FISCAL FEASIBILITY STUDY AND A BOARD OF SUPERVISORS FISCAL FEASIBILITY DETERMINATION, BUT RETAINING REQUIREMENTS FOR POSSIBLE FUTURE INDIVIDUAL PROJECTS UNDER THE ADP WHICH WOULD OTHERWISE BE SUBJECT TO CHAPTER 29, AND RECOMMENDING THAT THE BOARD OF SUPERVISORS ADOPT THE PROPOSED ORDINANCE.

Executive Summary

The Airport Development Plan (ADP) serves as a roadmap to guide long-term Airport landside development up to the maximum capacity of the existing runway system and identifies a collection of Recommended ADP Projects that would be required to accommodate up to 71.1 million annual passengers (MAP), the estimated maximum capacity of the existing airfield, over the next 20 years.

Per Chapter 29 of the City Administrative Code, City Departments proposing a project as defined by the California Environmental Quality Act (CEQA; Public Resources Code Sections 21000, *et seq.*) must prepare a financial feasibility study and submit it to the San Francisco Board of Supervisors (Board) for a determination that the proposed project is fiscally feasible and responsible prior to initiating environmental review.

Given the uncertainties inherent in preparing a meaningful fiscal feasibility study today for a long-term plan, Staff is seeking the Airport Commission’s approval of a proposed ordinance that would waive the requirements of Chapter 29 for the Recommended ADP. If adopted by the Board, the proposed ordinance (“Proposed Ordinance”) would allow the San Francisco Planning Department to proceed with the environmental review for the Recommended ADP. The Proposed Ordinance, a copy of which is attached, would resequence fiscal feasibility determinations, allowing environmental review of the Recommended ADP to commence but retaining the requirement for fiscal feasibility determinations for individual

THIS PRINT COVERS CALENDAR ITEM NO. 1

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

EDWIN M. LEE MAYOR	LARRY MAZZOLA PRESIDENT	LINDA S. CRAYTON VICE PRESIDENT	ELEANOR JOHNS	RICHARD J. GUGGENHIME	PETER A. STERN	IVAR C. SATERO AIRPORT DIRECTOR
-----------------------	----------------------------	------------------------------------	---------------	-----------------------	----------------	------------------------------------

projects under the Recommended ADP that meet applicable dollar thresholds under Chapter 29, as they are triggered by demand for implementation over the long-term. The Proposed Ordinance, if approved, would preserve the intent of Chapter 29.

Background

The 1989 Master Plan was adopted by the Airport Commission in 1992, and provided a long-term plan for the Airport's growth to accommodate about 51 MAP by 2006. The Airport accommodated about 51 MAP in 2015. A number of significant capital projects were completed or are in the process of being implemented under the Master Plan, including the International Terminal Building, the AirTrain system, Terminal 2 renovation, Terminal 1 redevelopment, hotel development and administrative office development.

Building upon the Master Plan and other ongoing projects, Staff from late 2014 to 2016 prepared the ADP to plan for and accommodate forecast future passenger and operations growth at SFO. The ADP sets forth a long-range plan to guide the Airport's development while providing the highest level of international and domestic guest service. The ADP identifies a collection of ADP Projects that would be required to accommodate up to 71.1 MAP, the estimated maximum capacity of the existing runway complex, over the next 20 years; this collection of projects constitutes the Recommended ADP. The Recommended ADP is a demand-driven development plan consisting of individual ADP Projects that would be triggered for implementation when activity thresholds (i.e., passenger demand) are reached in the future and the need for those projects are identified. None of the Recommended ADP projects would add runway capacity.

The San Francisco Planning Department has determined that the Recommended ADP is a "Project" under CEQA and would require preparation of an EIR. However, per Chapter 29 of the City Administrative Code, City Departments proposing a project as defined by CEQA must prepare a financial feasibility study and submit it to the Board for a determination that the plan for undertaking and implementing the proposed project is fiscally feasible and responsible prior to initiating environmental review if a project meets both of the following criteria:

- (1) the cost of implementing and/or constructing the proposed project exceeds twenty-five million dollars (\$25,000,000); and
- (2) the Project Sponsor reasonably estimates at the time of filing the application for environmental review that a portion of the predevelopment, planning or construction costs of the proposed project in excess of one million dollars (\$1,000,000), but excluding the costs of City personnel working on such project, will be paid from public monies.

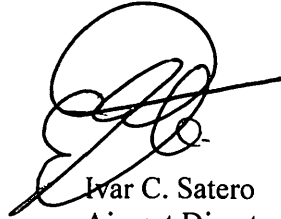
Given the uncertainties inherent in preparing a meaningful fiscal feasibility study today for a long-term, 20-year plan, Staff is seeking the Airport Commission's approval of an ordinance that would waive the requirements of Chapter 29 for the Recommended ADP. The Proposed Ordinance would allow the San Francisco Planning Department to proceed with preparation of the EIR for the Recommended ADP. The Proposed Ordinance, a copy of which is attached, would resequence fiscal feasibility determinations, allowing environmental review of the Recommended ADP to commence but retaining the requirement for fiscal feasibility determinations for individual projects under the Recommended ADP that meet applicable dollar thresholds under Chapter 29, as they are triggered for implementation when activity thresholds are reached and then are subject to the capital planning process.

In the event that (1) environmental review of the Recommended ADP is completed; and (2) the Airport Commission thereafter adopts the Recommended ADP, Staff would return to the Airport Commission and

the Board to proceed in conformance with Chapter 29 prior to initiating any detailed design work for such individual ADP projects. The Proposed Ordinance, if approved, would preserve the intent of Chapter 29.

Recommendation

I recommend that the Airport Commission adopt this Resolution approving the form of the Proposed Ordinance and recommending that the Board of Supervisors adopt the Proposed Ordinance exempting the Recommended Airport Development Plan from, and thereby waiving, the requirements of Chapter 29 of the San Francisco Administrative Code, including the requirements for a fiscal feasibility study and a Board of Supervisors fiscal feasibility determination.



Ivar C. Satero
Airport Director

Prepared by: Geoffrey W. Neumayr
Chief Development Officer
Planning, Design & Construction

Attachments