



San Francisco
International
Airport

San Francisco International Airport



FY 15/16 Budget Overview
Budget & Finance Committee

May 20, 2015





Mission Statement

**We provide an exceptional airport
in service to our communities**



Accomplishments and New Services

→ New Amenities and Services

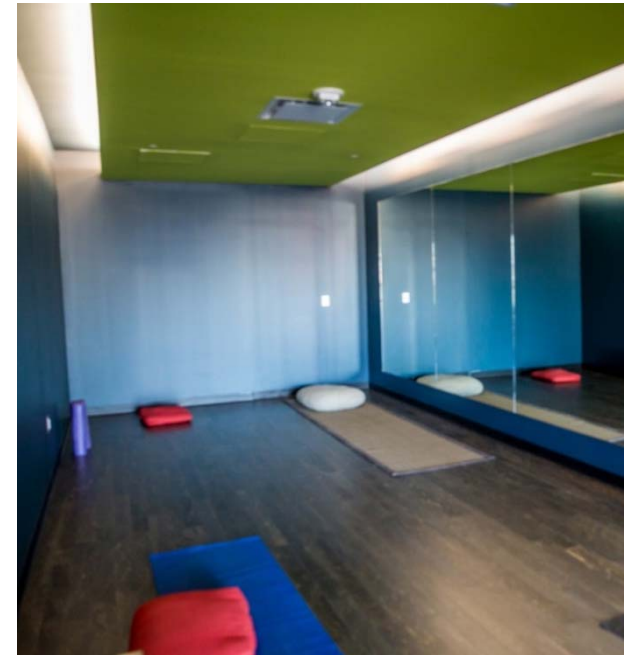
- Automated Passport Control (APC) Kiosk
- Global Entry Kiosks
- Second Yoga Room

→ Innovation

- First Airport to permit Transportation Network Companies (GPS Geo-fence technology)
- First dedicated Chinese-language U.S. airport website
- Mobile App for Visually-Impaired Passengers

→ Capital Projects

- Runway Safety Program
- Airfield Operations Center
- Start of \$4.5 billion new construction program

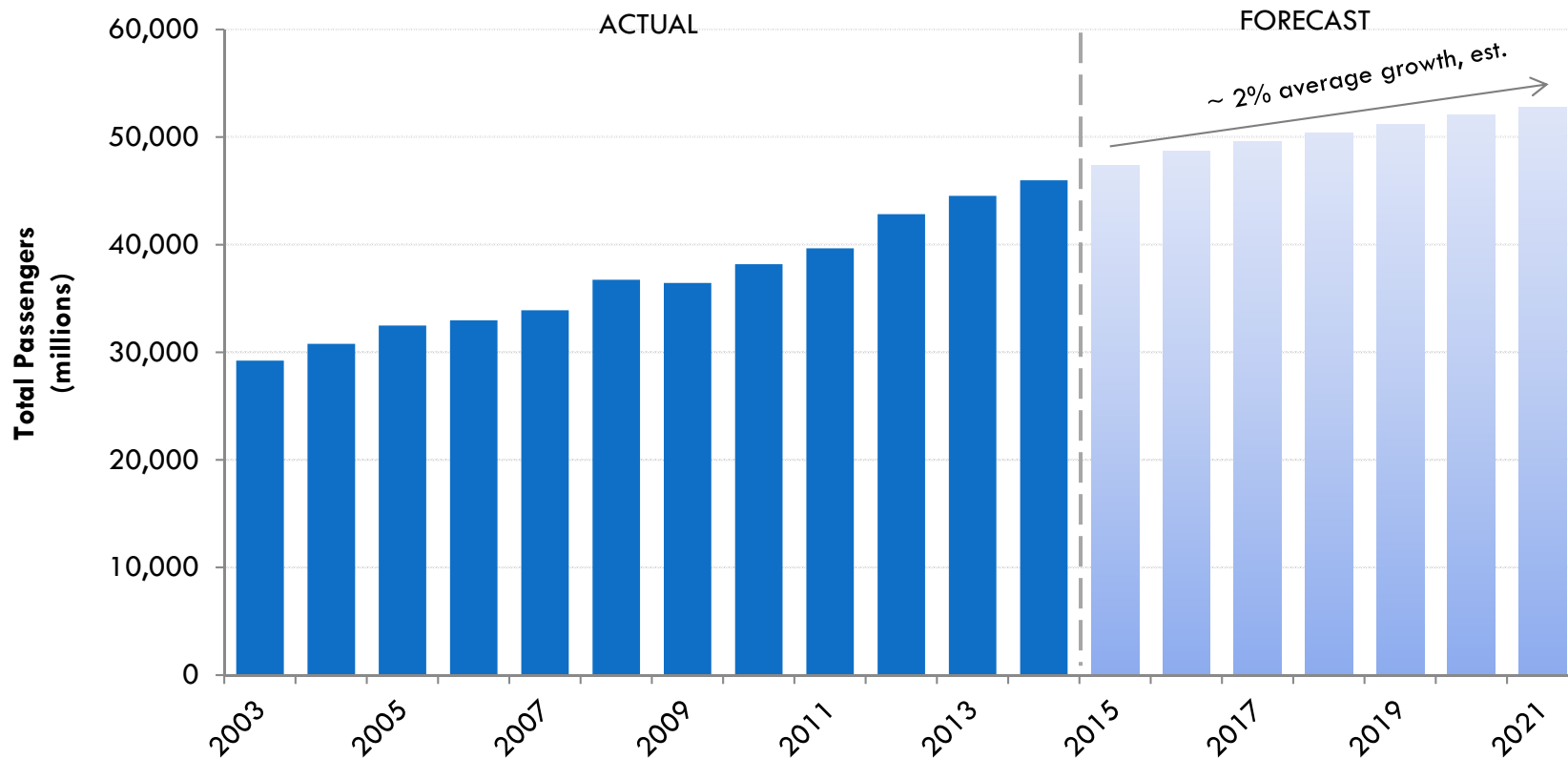




Passenger traffic continues to grow

→ Historical Traffic Growth Paves the Way for the Future

- ▣ Traffic continues to surpass forecasts
- ▣ Forecasts show increased traffic at a moderate pace



Source: Actuals reported by Airlines at SFO, Forecast by LeighFisher as of February 2014

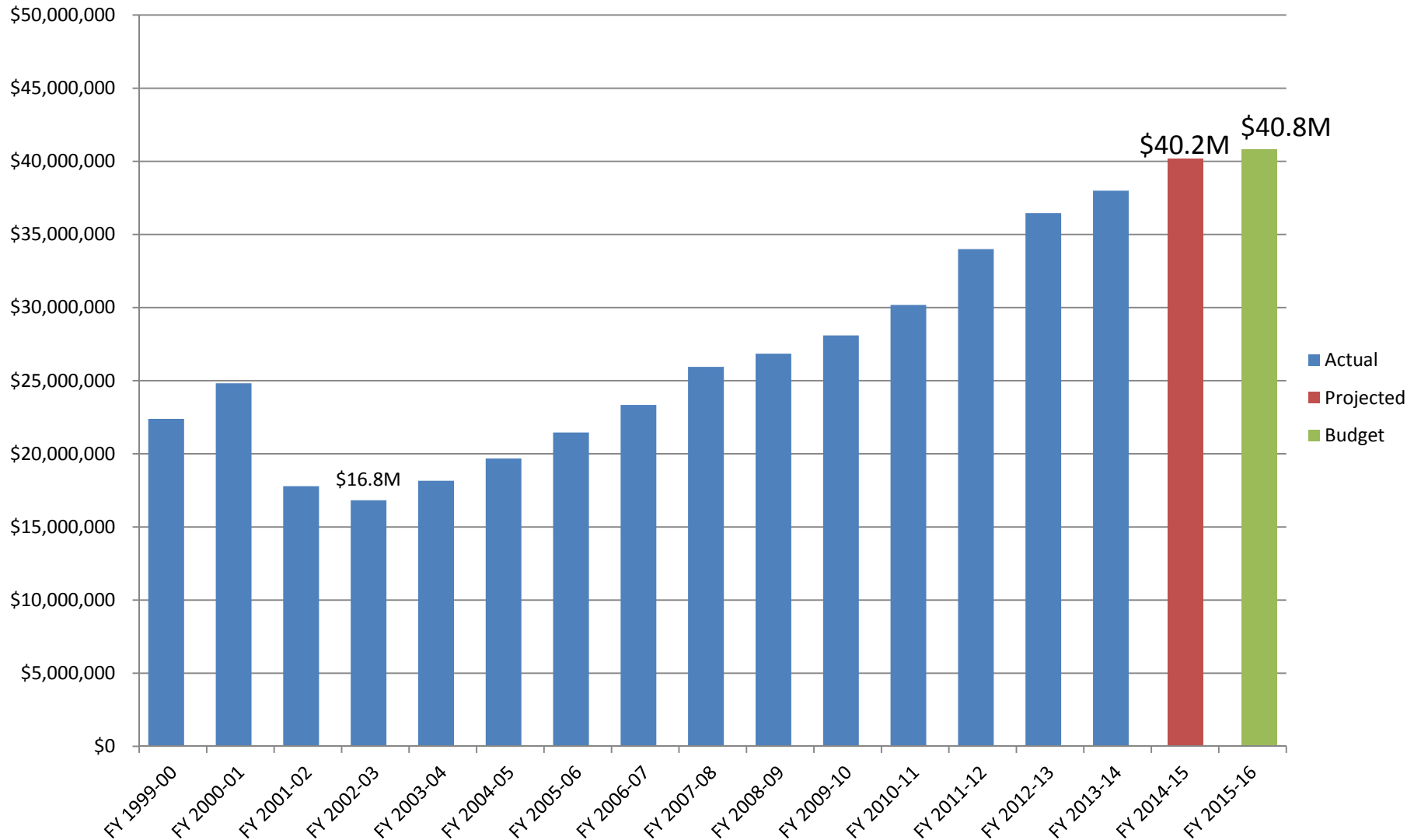
→ International service growth

- New service by Etihad, China Southern, Turkish Airlines and XL Airlines
- Increased service by Emirates, Aer Lingus, British Airways, United and Cathay Pacific





Annual Service Payment (ASP)



→ The annual service payment has over doubled in the last ten years



FY 14/15 and FY 15/16 Budget

| Fiscal Year | Budget (in millions) | Increase (in millions) | Percent |
|--------------------|---------------------------------|-----------------------------------|----------------|
| FY 14/15 | \$ 940.2 | -- | -- |
| FY 15/16 | 970.8 | 30.6 | 3.3 % |

→ Major Budget Initiatives

- Budget increase reflects continued traffic growth
 - Additional SFPD staff (46 Police Services Aide positions) for traffic control on roadways
- Safety and security is our top priority
 - Enhanced Fire Department command staff for 24/7 coverage (3 new Battalion Chief positions)
- Local Business Opportunities
- Job Creation
- Capital Improvement Program
 - Design and Construction staff to implement the CIP



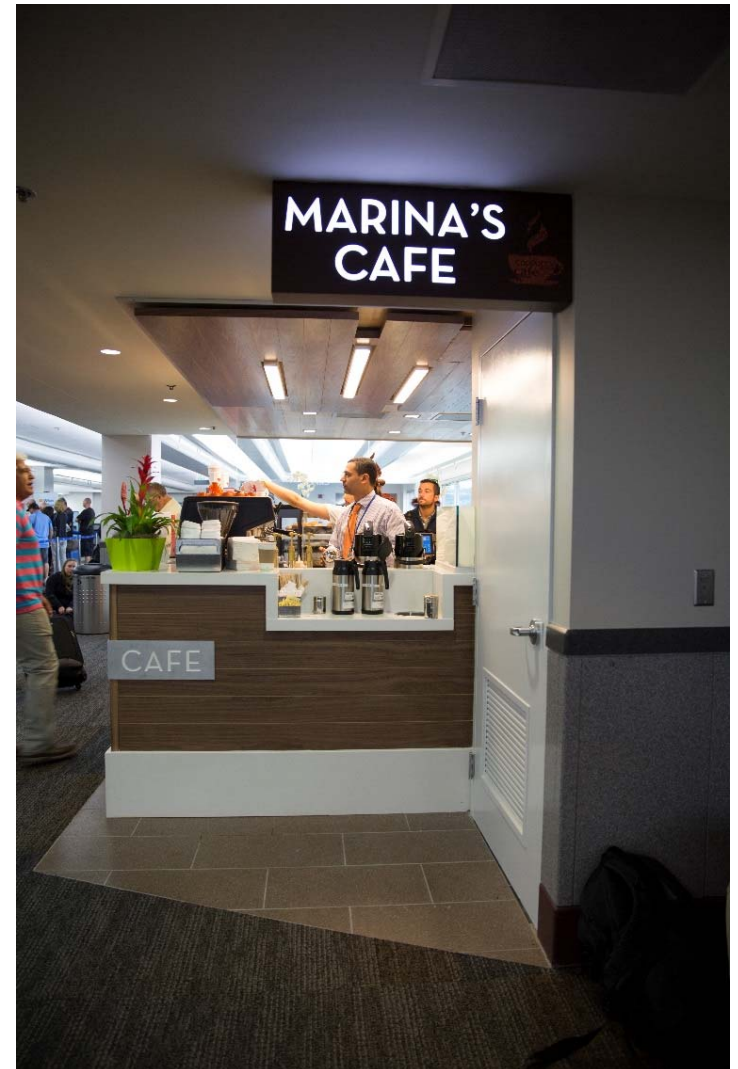
Benefiting Local Business

→ Small Business Affairs and External Outreach

- Annual 30% goal for small business participation
- Awarded over 30% of contract dollars to LBEs and DBEs

→ Concessions

- Pop-up retail – new opportunities for locally owned concession
- High-level of locally owned businesses
 - Food and Beverage – 33% locally owned
 - Retail Concessionaires – nearly 20% locally owned





Workforce Development

→ Workforce Development

- SFO staff collaborates with community based organizations in the City's most under-employed sectors in San Francisco.

| Program | FY 15/16 |
|---------------------|------------|
| SFO Career Connect | 28 |
| CityBuild | 30 |
| Internship Programs | <u>66</u> |
| Total | 124 |

- Internship programs include
 - Youth Works
 - SFO High School Interns
 - Project Pull
 - Engineering Interns



10-Year Capital Plan

→ Capital Plan Drivers

- ▣ Meet passenger traffic demand
- ▣ Aging and seismically vulnerable buildings and infrastructure
- ▣ Current security requirements
- ▣ Improve the passenger experience by bringing Terminal 2 amenities to the other terminals
- ▣ The Capital Plan positions SFO for continued traffic and revenue growth

| Cost Center | 10-Year Plan (in \$millions) | Percent |
|-----------------|---------------------------------|-------------|
| Terminal | \$3,057.4 | 67.5% |
| Groundside | 519.8 | 11.5% |
| Airport Support | 429.8 | 9.5% |
| Airfield | 285.2 | 6.3% |
| Utilities | 235.5 | 5.2% |
| Total | \$4,527.7 | 100% |



Terminal 1 Redevelopment Program

→ Terminal 1 Redevelopment Continuing

- ▣ \$2.4 billion project budget
- ▣ Complete modernization of Terminal 1 and Boarding Areas B and C
- ▣ Carry through the T2 experience to increase passenger spend rate and customer satisfaction
- ▣ Provide wide-body swing gates for international flights to meet demand





Terminal 3 Redevelopment Program

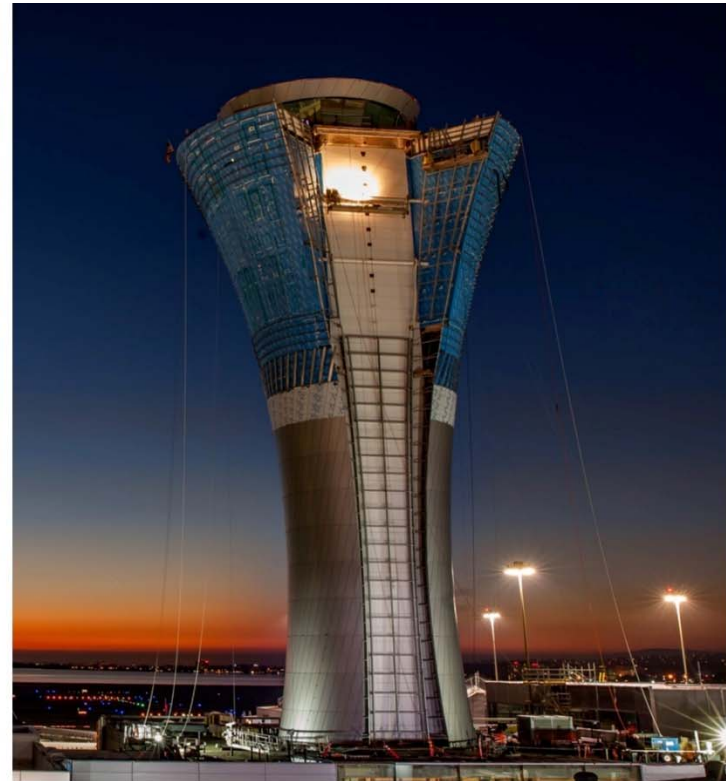
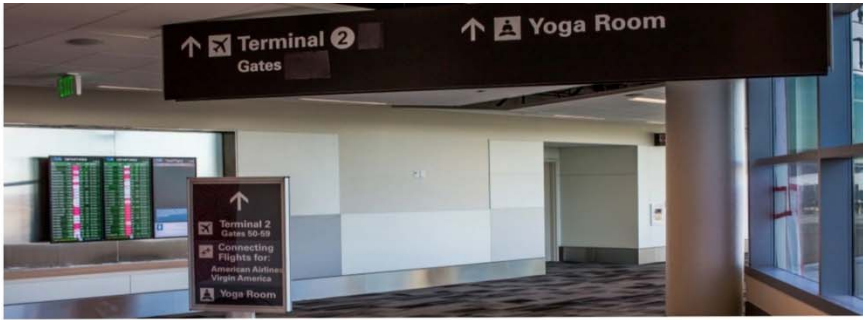
- T3 Redevelopment Ongoing
 - ▣ Program Budget - \$974M
 - ▣ B/A E opened January 2014
 - ▣ Complete modernization of Terminal 3
 - ▣ Carry through the T2 experience to increase passenger spend rate and customer satisfaction
 - ▣ Enhance airline passenger processing





Air Traffic Control Tower

- Air Traffic Control Tower Project Nearing Completion
 - ▣ Secure Connector opened in November 2014
 - ▣ Substantial completion in Spring 2015
 - ▣ FAA fit out complete in Spring 2016
 - ▣ \$33.9M demolition of existing tower





Other Significant Projects

- **\$165M On-Airport Hotel**
 - ▣ 4-star hotel, 350 rooms
- **\$110M AirTrain Extension**
 - ▣ Extend AirTrain to Long-Term Parking from Rental Car Center
 - ▣ Two additional stations
- **\$73.8M Wastewater Improvements**
 - ▣ New Industrial Treatment Plant
 - ▣ Recycled water distribution pipeline





Capital Plan Economic Benefits

→ Estimated CIP Job Creation

- 5-Year Job Impact
 - 24,323 – total jobs estimated
- 10-Year Job Impact
 - 37,851 – total jobs estimated



→ Local Hiring

- Achieved 39% combined goal for San Mateo and San Francisco County residents
- 35% combined goal for San Mateo and San Francisco County residents





Awards

- Airports Council International-North America (ACI-NA)
 - ▣ 2014 Environmental Achievement Award
 - ▣ 2014 Peggy G. Hereford Award for excellence in Marketing and Communications
 - ▣ Richard A. Griesbach Award of Excellence for Concessions

- Outside Magazine
 - ▣ 2014 Best Airport

- SkyTrax
 - ▣ 2015 Best Airport Staff in North America

- Airport Revenue News
 - ▣ 2015 Best Overall Concession Program
 - ▣ 2015 Best Amenities Program, Large Airport
 - ▣ 2015 Best Concession Management Team

