

PUBLIC NOTICE
Passenger Facility Charge Application #9
San Francisco International Airport

April 15, 2020

Introduction

Pursuant to 14 CFR Part 158.24, the San Francisco International Airport (Airport or SFO) is posting this public notice as part of the proposed action to submit a new application under the Airport's Passenger Facility Charge (PFC) program (PFC #9).

The following information is being provided:

- PFC Overview at the Airport;
- Project Description and Justification;
- Summary of key terms to PFC #9
 - PFC level for the project (Section III);
 - Estimated total PFC revenue to be used for the project (Section III);
 - Proposed charge effective date and estimated charge expiration date (Section III);
 - Estimated total PFC revenue for the application (Section III); and
- Contact name and information for the person to whom comments should be sent.

The Airport will be accepting public comments through May 15, 2020, thirty (30) days after the posting of this public notice.

Comments or requests for further information on the proposed PFC #9 application should be addressed to:

Ms. Tina Ko
Airport Grant Manager – Capital Finance
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128
Tina.Ko@flysfo.com

I. Background – Overview of Airport PFC Approvals

The Airport Commission has imposed a PFC of \$4.50 at the Airport since 2001. The collection and use of PFCs to pay for Federal Aviation Administration (FAA) approved capital projects and associated debt service has been a contributor in controlling rates and charges at the Airport. SFO has received FAA’s approval for six PFC applications and three amendments for a total of \$2.1 billion. The active applications are as follows:

Applications	FAA Approved PFC Level	Collection Period	Status	FAA Approved Amount
PFC #5 & #5a	\$4.50	01/01/2017-10/01/2024	Active	741,744,636
PFC #8 ¹	\$4.50	10/01/2024-03/01/2029	Active	536,799,536

¹PFC #8 combined PFC #6 and #7

II. Project Description and Justification

Interim Boarding Area B – Design and Construction

Project Description

The Interim Boarding Area B (IBAB) Project provided for modifications to existing building systems required to maintain a standalone operation of the IBAB and Boarding Area C during the redevelopment of Terminal 1 and to accommodate current and forecast passenger demand. The IBAB Project elements included, but were not limited to:

1. The reconfiguration, the relocation and the construction of existing and new gates to provide a total of nine (9) gates and associated infrastructure and facilities.
2. The development of holdroom and public circulation areas and concession spaces within the IBAB to accommodate the forecast passenger flows.
3. Improvements to Boarding Area C restrooms to provide for alternate locations for closed restrooms during the construction of the IBAB.
4. The relocation of existing airline operations and the development of temporary airline operations space to allow for construction of the new Boarding Area B.
5. The relocation of airport and concession offices and facilities to allow for the construction of the new Boarding Area B and reconstruction of portions of Terminal 1.

Explanation of the Need for the Project

The IBAB Project allowed for the redevelopment of Terminal 1 and the construction of a new Boarding Area B, which were required to preserve existing terminal and national air transportation system capacity and allow for air service competition at the Airport. The IBAB Project allowed the Airport to maintain a total of nine (9) gates throughout construction and further allowed for the construction of a new Boarding Area B without losing any gate capacity.

Based on several planning studies prepared between 2012 and 2015, the Airport developed a phasing plan for the redevelopment of Terminal 1 and the construction of a new Boarding Area B. These studies determined that an interim Boarding Area B would need to be constructed in order to maintain sufficient gate capacity to meet the current and forecast passenger and operations growth.

By maintaining the IBAB interim gates, the Airport was able to maintain at least 64 domestic gates through the completion of the IBAB Project and during the construction of the new Boarding Area B thereby preserving the Airport’s existing capacity.

By maintaining the nine (9) gates during the construction of the IBAB and the new Boarding Area B, the Airport was able to maintain sufficient gate capacity to:

- Accommodate domestic airlines that did not qualify for preferential gate assignment;
- Provide sufficient preferential gates to accommodate domestic airline schedules for airlines that qualified for preferential use gates; and
- Provide common use gates to accommodate new entrant airlines.

Without the availability of the nine (9) IBAB gates, the high gate utilization on the remaining Domestic Terminal gates would have limited the Airport’s ability to enhance competition and accommodate the existing airlines scheduled flights.

III. Summary of Proposed PFC #9 Terms

A summary of the proposed terms is as follows:

	PFC #9 Application
PFC Level (per eligible enplaned passenger)	\$4.50
Proposed Charge Effective Date	March 1, 2029
Estimated Charge Expiration Date	January 1, 2031
Estimated Total PFC Revenue ^(a)	\$223.9 Million

^(a) Net of air carrier collection fee at the current \$0.11 per PFC and include estimated interest earned.

Estimated allowable project costs in PFC #9 are as follows:

Project Title	Approved PFC Level	Proposed PFC #9 Application		
		Bond Capital	BF&I^(b)	Total PFC
Interim Boarding Area B Project	\$4.50	\$102,750,733	\$121,129,412	\$223,880,145

^(b) BF&I – Bond Financing and Interest