SAN FRANCISCO AIRPORT COMMISSION



March 18, 2014

9:00 A.M.

Room 400 - City Hall #1 Dr. Carlton B. Goodlett Place (400 Van Ness Avenue) City and County of San Francisco

EDWIN M. LEE, MAYOR

COMMISSIONERS
LARRY MAZZOLA
President
LINDA S. CRAYTON
Vice President
ELEANOR JOHNS
RICHARD J. GUGGENHIME
PETER A. STERN

JOHN L. MARTIN Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT SAN FRANCISCO, CALIFORNIA 94128

Minutes of the Airport Commission Meeting of March 18, 2014

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AIRPORT COMMISSION MEETING MINUTES March 18, 2014

A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

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B. ROLL CALL:

Present: Hon. Larry Mazzola, President

Hon. Linda S. Crayton, Vice President

Hon. Richard J. Guggenhime

Hon. Peter A. Stern

Absent: Hon. Eleanor Johns

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C. ADOPTION OF MINUTES:

The minutes of the regular meeting of March 4, 2014 were adopted unanimously.

No. 14-0045

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D. SPECIAL ITEM:

Item No. 1 was been put over to the next meeting without discussion.

1. Retirement Resolution - Theresa Lee

Resolution thanking Ms. Theresa Lee for 22 years of service to the City ad County of San Francisco, 18 years of which were spent at San Francisco International Airport.

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E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

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- F. ACTION ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE: Item No. 2 was been put over to the next meeting without discussion.
 - 2. Award of Sole Source Contract No. 10563 Common Use Self Service (CUSS) Units IER, Inc. \$367,825

Resolution awarding sole source Contract 10563,

Common Use Self Service (CUSS) Units to IER, for new custom designed CUSS Units in an amount not to exceed \$367,825 and authorizing the purchase of fabricated units in an amount not to exceed \$2,632,175.

3. <u>Award of the Boarding Area C Coffee Shop Lease - Green Beans Coffee Osteria - SFO Group</u>

No. 14-0046

Resolution approving the award of the Boarding Area C Coffee Shop Lease to Green Beans Coffee Osteria - SFO Group.

Mr. Leo Fermin, Chief, Business & Finance said that this item awards the Boarding Area C Coffee Shop Lease to Green Beans Coffee Osteria - SFO Group. This coffee shop location is new to the Airport and is pre security near the Boarding Area C checkpoint, around the corner from the base of the new Air Traffic Control Tower. This will help create a very nice, comfortable meet and greet area for passengers.

Two proposals were received in response to the RFP, with the second proposal coming from a Denver-based airport concessionaire who proposed an Einstein Brother's Bagel Shop. Green Beans Coffee Osteria SFO Group, headquartered in San Rafael, is a joint venture between Green Beans Coffee Company and a local ACDBE certified operator Aimhigh, ESG LLC founded by Mr. Ebon Glenn who owns 25% of the joint venture. We are delighted to offer a local company and a home grown joint venture partner. Green Beans operates over 60 locations worldwide, including Newark, San Antonio, and National Airports. Most of their cafes are located at military posts throughout the Middle East, Southeast Asia, Japan, and Africa. Green Beans Coffee believes in giving back and donates a percentage of its sales to Snow Ball Express, a national charity that serves the children of our fallen military heroes. Green Beans will offer high quality coffee, fresh baked products and healthy meal options that are prepared on-site for our passengers in Terminal 1. The lease is 10 years with a minimum annual guarantee of or \$52,896 per year.

Mr. Ebon Glenn said that my father has been a ACDBE business owner at SFO for the last 11 to 12 years and I've been working under him since I was 19 years old. This first lease means a lot to me and I've prepared something that I'd like to share. I want to begin by thanking everyone involved with the decision to award Green Beans Coffee the Terminal 1 Coffee Lease at SFO. I walked through those terminals and my father, Ralph Glenn, has walked those same terminals my entire life ... first as a Vice President with Duty Free Shoppers and now as a tenant in Boarding Areas A and G and Terminals 2 and 3. Since my first day as an employee at SFO I've been embraced by my father's ex co-workers and the wonderful staff that serve SFO, from Revenue Development, to Duty Managers, to the Police department, and the Airport Commission office. A few years ago I was in this same room to accept a Customer Service Award on behalf of my father for returning a passenger's wallet containing \$8,000. Now I'm here again

accepting a Coffee Lease from the Airport that I grew up in. I want to personally thank the Airport Commission, John Martin, he's responded to my emails on various topics and we've had numerous talks over the years. Needless to say, he's made me feel at home in a city within a city. So, I want to thank SFO for helping develop me into a suitable tenant in preparing me to have the opportunity to win a lease at one of the most popular airports in the world. I'm looking forward to doing great things with Green Beans Coffee SFO as well as the City of San Francisco, who I'm grateful to for providing me the opportunity for my family to have a piece of the American dream for all these years, and hopefully years to come. Thank you.

Commissioner Mazzola said I wish you a lot of luck.

Mr. George Kennedy, representing Green Beans Coffee Company. Thank you. We're very excited to have our newest flag ship location at San Francisco International Airport. As Mr. Fermin stated, high quality coffee, AA graded, top 3% of coffee grown in the world. All of our bakery items are prepared fresh on site so nothing will be more than 24-36 hours old because we add no preservatives. We have a lot of healthy choices. We're extremely excited to be part of the City, the Airport, and partnering with Ebon. Thank you very much.

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- G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:
 The Consent Calendar, Item Nos. 4 through 11, was moved by Commissioner and seconded by Commissioner . The vote to approve was unanimous.
 - 4. <u>Authorization to Issue a Request for Proposals for Contract No. 8623 As-Needed Geotechnical Engineering Support Services</u>

No. 14-0047

Resolution authorizing the Director to issue a Request for Proposals for Contract No. 8623, As Needed Geotechnical Engineering Support Services, to ensure the proper design of pavements and foundations in the preparation of design documents.

5. <u>Assignment and Assumption, and Modification No. 1 to Contract 9073 - Siemens Industry, Inc. - \$354,485</u>

No. 14-0048

Resolution approving assignment and assumption of Contract No. 9073 from Siemens Industry, Inc. to Siemens Postal, Parcel & Airport Logistics, LLC, and approve Modification No. 1 to exercise the first of two one-year options for a total amount not to exceed \$354,485, resulting in a new total contract amount not to exceed \$1,404,485.

6. <u>Modification No. 2 to Contract 9108, Noise Insulation Consulting Services, to</u>

Exercise the First of Two One-Year Options - C. Kell-Smith & Associates - \$220,000

No. 14-0049

Resolution approving Modification No. 2 to Contract No. 9108, Noise Insulation Consulting Services, with C. Kell-Smith & Associates, exercising the first of two one-year options and increasing the amount of the contract by \$220,000, from 750,000 to \$970,000.

7. <u>Amendment No. 4 to Contract No. 9075 - Information Booth Program - Polaris Research and Development, Inc.</u>

No. 14-0050

Resolution approving Amendment No. 4 to Contract No. 9075 with Polaris Research and Development, Inc. to exercise the first of two, one-year options for the Information Booth Program.

8. Exercise the One (1) Two-Year Option for the Snack and Beverage Vending

Machines in the Domestic Terminals, Long-Term Parking Lot, Rental Car Center
and Cell Phone Waiting Lot Lease No. 09-0154 with Canteen Vending

No. 14-0051

Resolution exercising the one (1) two-year option under Canteen Vending's Snack and beverage vending machines in the Domestic Terminals, Long-Term Parking Lot, Rental Car Center and Cell Phone Waiting Lot Lease No. 09-0154, for an option term of October 1, 2014 through September 30, 2016.

9. <u>Modification No. 1 to the 2011 Lease and Use Agreement No. L10-0097 between United Airlines and the San Francisco International Airport</u>

No. 14-0052

Resolution approving Modification No. 1 to the 2011 Lease and Use Agreement No. L10-0097 between United Airlines, Inc. and San Francisco Airport to increase the demised premises by approximately 92,331 square feet of exclusive use space in Terminal 3 and Boarding Areas E and F, and direct the Commission Secretary to forward the agreement Modification No. 1 to the Board of Supervisors for approval.

10. <u>Modification No. 1 to the 2011 Lease and Use Agreement No. L11-0011 between</u> Hawaiian Airlines, Inc. and the San Francisco International Airport

No. 14-0053 Resolution approving Modification No. 1 to the 2011

Lease and Use Agreement No. L11-0011 between

Hawaiian Airlines, Inc. and the San Francisco Airport, which adds approximately 538 square feet of Category II Exclusive Use Space in the International Terminal to the Lease Premises, and directing the Commission Secretary to forward the Modification to the Board of Supervisors for approval.

11. <u>Lease Agreement between Federal Express Corporation and the San Francisco</u> International Airport for a Portion of Airport Building 900 on Plot 50

No. 14-0054

Resolution approving the Lease Agreement between Federal Express Corporation and the SFIA for spaces in Airport Building 900 on Plot 50, and directing the Commission Secretary to forward the Lease to the Board of Supervisors for approval.

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H. NEW BUSINESS:

Discussion only. This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table next to the speaker's microphone and submit it to the Commission Secretary.

Mr. Martin Kazinski, said Taxi Driver. I was listening to the eloquent speech of the gentleman who is going to be running the coffee shop. He's looking for an American dream. I gave up on it, but what I'm looking for is equal treatment of taxi drivers vs. the for-profit transportation companies which we call gypsy cabs or illegal cabs. I wish the SFO Police department would take a look at the situation and see that those companies that are not licensed to operate at SFO are doing business without the proper enforcement. I wish the Commission would put this item on a future agenda. I'm looking for equal treatment. As licensed taxi drivers we contribute about \$30,000-\$40,000 a day to the Airport budget and we feel that we are not being treated equally, to the point where the Police department makes a special effort to harass us and punish people for doing minor things and the other folks are doing business at the Airport ... picking up, dropping off. I see this happening in the morning all the time and there's no enforcement. If we have no rules, then let everybody have no rules. There's no need for me to go through the hoops of getting a special Airport permit for my taxi cab so I can drop off and pick up. Lets make it equal for everybody. Thank you.

Commissioner Crayton asked what we had before us regarding the taxi cabs and what we're proposing, not proposing to do but, that we have already.

Mr. John Martin, Airport Director, replied that currently Lyft and some others are not paying any fees to the Airport and are operating illegally. The State has not taken timely action to permit these companies. Once they are permitted they will be subject to rules similar to the taxicabs, and the same fees. But the current situation is not acceptable, and I agree with the taxicab industry.

Commissioner Guggenhime asked who has jurisdiction over that ... the City Attorney?

Mr. Martin replied CPUC.

Commissioner Guggenhime asked are we weighing in on that at all?

Ms. Sheryl Bregman, Airport General Counsel, replied that we are wading through the CPUC regulatory process ... our office, the MTA and on behalf of SFO submitted briefs.

Commissioner Guggehime asked what's taking so long for them to act?

Ms. Bregman responded that they've issued one permit. I understand they have four or five applications. I don't know what's taking so long.

Commissioner Guggenhime asked if one of them is Uber.

Mr. Martin said it also concerns us that the cab industry is almost 100% clean vehicles. They've done a great job. But that's not the case with Uber and Lyft. They're not all clean air vehicles.

Commissioner Guggenhime asked if there are insurance issues. Is there anything we can do to accelerate the State PUC?

Ms. Bregman said we've been encouraging the CPUC to issue the permits ... they've issued one. It's very slow. There's not much we can do.

Commissioner Guggenhime said let's see what we can do, okay.

Commissioner Crayton asked if they have given us a timeline.

Mr. Martin said they keep telling us action is coming shortly, but they've been telling us that for four months.

Commissioner Crayton said I think it's important that we let the public know, and all the other taxi drivers, that in this particular case it's not our jurisdiction, it is the California Public Utilities Commission who needs to enact legislation to control Uber drivers and pink mustache, and whoever else is out there at this particular time. However, in terms of safety issues, do our parking control officers have any authority over them in terms of them picking up drivers and doing other things.

Mr. Martin said the San Mateo County District Attorney has to process violations issued by the City and they're not able to do that. I encourage taxi drivers to go to the CPUC and to State representatives ... the Assembly and Senate because it's a State jurisdictional issue.

Mr. Mark Gruberg, United Taxi Cab Workers, said there are two issues he wants to raise ... the first is the ability of drivers to return and get in the short line after having a short fare from the Airport. Drivers who return to the Airport on a short are being made to get at the end of a long queue of drivers waiting to get into the taxi lot. They may be back in ample time to make the short if they have a half an hour to do it, but because

they're forced into this long line, which is either stopped dead or is moving very slowly, they're going to lose the ability to make that short. They may have spent an hour or two in the taxi lot and got a \$10 or \$15 ride, and then are forced to get at the end of a long line. For years, as long as I've been in the industry, it's been common courtesy that the first driver at the gate allows the driver on the short to pass in front of him. The Airport tolerated this for many years and now we're seeing stepped up enforcement and drivers are being thrown out of the Airport for 24-hours and having their SmartCards confiscated. It's unfair to a driver who gets back in time to make a short to have him lose it by forcing him to the end of this long line. I don't have the solution but I'm sure there is one ... perhaps open another gate for drivers on the short or have some other way of dealing with this.

The other issue has to do with the Airport's policy on TNC's. It boggles my mind that companies that are violating Airport rules because they don't have the authority to use the Airport are doing it left and right. I know there have been efforts at enforcement but it's impossible to enforce because most of these guys hide the fact that they're working for the TNCs. Now you're discussing rules that would allow them into the Airport, despite this total contempt for the Airport. It needs to be an open process. We need to have the ability to weigh in on these rules for providers of transportation. Thank you.

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I. CORRESPONDENCE:

There was no discussion by the Commission.

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J. CLOSED SESSION:

There are no planned agenda items for a Closed Session for the current meeting.

In the event of any urgent matter requiring immediate action which has come to the attention of the Airport Commission after the agenda was issued and which is an item appropriately addressed in Closed Session, the Airport Commission may discuss and vote whether to conduct a Closed Session under Brown Act (California Government Code Sections 54954.2(b)(2) and 54954.5) and Sunshine Ordinance (San Francisco Administrative Code Section 67.11).

If the Airport Commission enters Closed Session under such circumstances, the Airport Commission will discuss and vote whether to disclose action taken or discussions held in Closed Session under the Brown Act (California Government Code Section 54957.1) and Sunshine Ordinance (San Francisco Administrative Code Section 67.12).

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K. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:17 AM.

(Original signed by: Jean Caramatti)
Jean Caramatti
Commission Secretary