



SFO

SAN FRANCISCO INTERNATIONAL AIRPORT

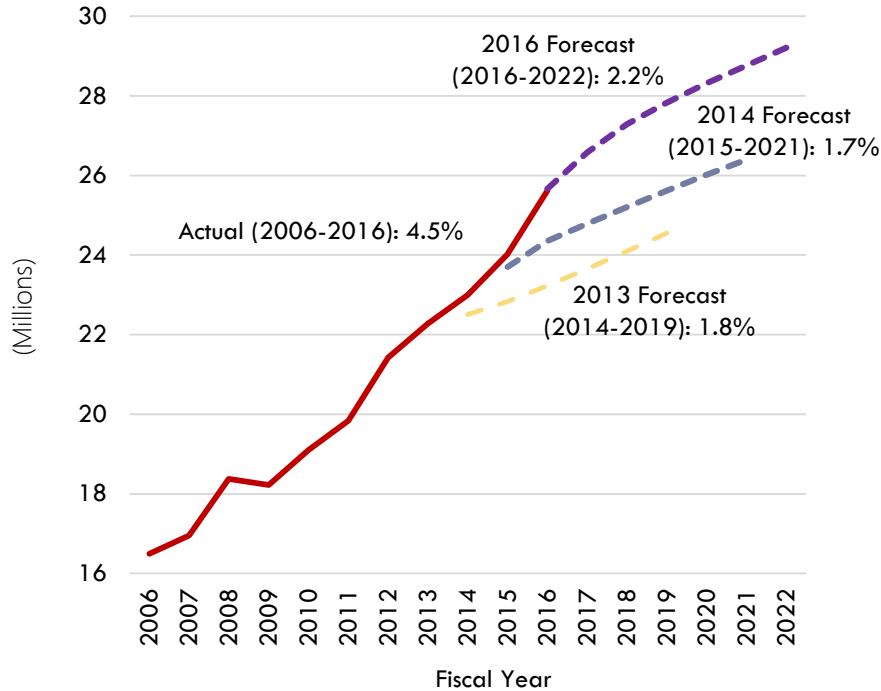
Presentation to the Capital Planning
Committee

December 12, 2016

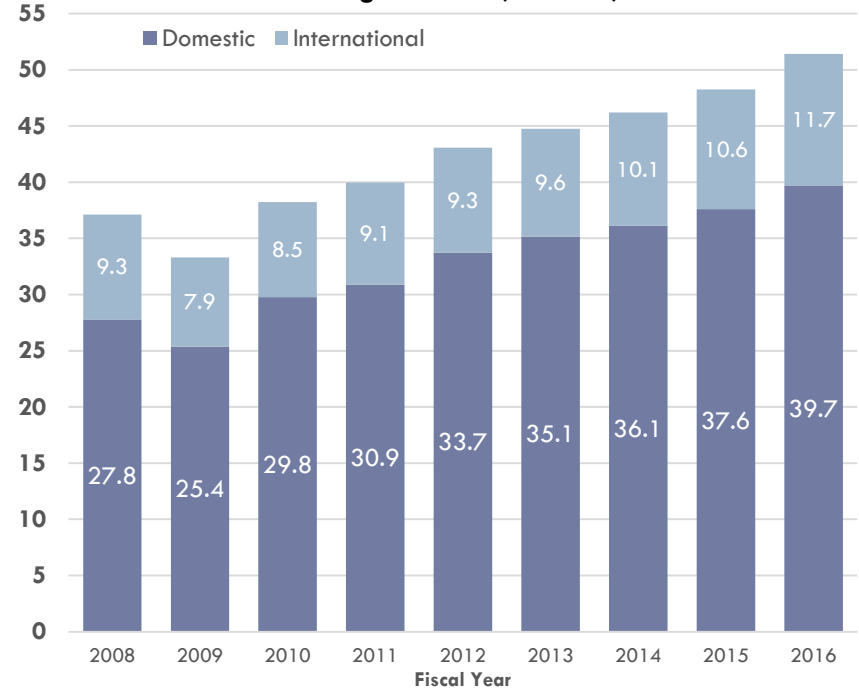


Robust growth driving immediate CIP needs

SFO Enplanements Forecast vs. Historical Comparison



Passenger Traffic (millions)



- In FY2016, SFO had a record 51.4 million total passengers
- Since 2007, traffic has increased by 56%
- FY2016 enplanements were forecast in 2014 to be achieved in FY2021
- Passenger traffic expected to continue to grow over the next 5 years

Bond Authorization Summary



Funding Need	Amount
CIP Project Need*	\$4,239
Financing Costs + CSA Auditor Allocation	1,020
Total Funding Need	\$5,260
Less existing authorization (excluding hotel)**	(901)
Authorization Requested Amount	\$4,359

(\$ in millions)

* Need excludes: (1) the On-Airport Hotel; (2) CIP projects that have not yet received environmental review; and (3) CIP needs funded through the Sept 2016 bond issuance.

** Total existing authorization including the On-Airport Hotel project authorization is \$1,144 M.

Supplemental Appropriation Summary

Project Uses	Amount
Terminal Projects	\$2,871
Airport Support Projects	580
Groundside Projects	473
Utility Projects	218
Airfield Projects	97
<i>Total CIP Project Uses (need)*</i>	<i>\$4,239</i>
Less existing project appropriation	(427)
Total Project Appropriation	\$3,812
Other Uses	Amount
Financing Costs	\$1,013
CSA Auditor Allocation (0.2%)	7.6
Total Other Uses Appropriation	\$1,020
TOTAL Appropriation Amount	\$4,832

(\$ in millions)

* Need excludes: (1) the On-Airport Hotel; (2) CIP projects that have not yet received environmental review; and (3) CIP needs funded through the Sept 2016 bond issuance.



Seeking approval to increase Commercial Paper Program from \$400 M to \$500 M

- Airport practices “just in time” financing
- Commercial paper for interim funding of projects at a lower borrowing cost
- Issue long-term debt as needed, optimizing market timing
- Increase could save \$30+ M in present value debt service costs over next 5 yrs

Financial Considerations



No impact to the City's debt limit or property taxes

- Bonds are supported solely by Airport revenues

No impact to the Annual Service Payment (ASP)

- ASP payments are based on non-airline revenues

Cost per Enplanement (CPE) expected to remain competitive

- Noted by Credit Rating Agencies in most recent rating reports (Sept 2016)

Sensitivity analysis using 10% drop in passenger traffic shows:

- Rate covenant requirements would still be met
- Debt service coverage would not be materially different given Airport's residual rate setting methodology
- CPE increases, but is still expected to remain competitive



APPENDIX

Project Need



Authorization funds current CIP Need

- Excludes CIP projects that do not have environmental review
- Excludes On-Airport Hotel
- Accounts for recent bond issuance

Need	Amount
5-Year CIP Project Total	\$5,705
Less Projects w/o CEQA	(808)
Less Airport Hotel	(222)
Less Sept Bond Issuance	(436)
CIP Project Need	\$4,239

(\$ in millions)

Authorization Need



Funding Need	Amount
CIP Project Need*	\$4,239
Financing Costs + CSA Auditor Allocation	1,020
Funding Need	\$5,260
Available Authorization	Amount
Existing Bond Authorization	\$1,144
<i>Less Hotel Authorization</i>	<i>(243)</i>
Remaining Bond Authorization	\$901
Authorization Request	Amount
Authorization Request (Funding Need – Remaining Authorization)	\$4,359

(\$ in millions)

* Need excludes: (1) the On-Airport Hotel; (2) CIP projects that have not yet received environmental review; and (3) CIP needs funded through the Sept 2016 bond issuance.

Appropriation & Authorization Overview

	Existing	Request	Total
Bond Authorization	\$901*	\$4,359	\$5,260
Supplemental Appropriation	427	\$4,832	\$5,260

*excludes existing Hotel Bond Authorization

Total need when factoring in project need & costs of issuance (COI) is \$5,260

- Project Need (\$4,239) + COI (\$1,020) = \$5,260

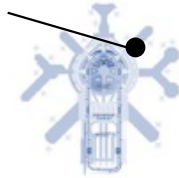
Major Upcoming Capital Projects

Terminal 1



■ Terminal 1 – replace 1960's facilities to Terminal 2 standards

- 24+ gates in 2020, with Boarding Area C refresh completed in 2023.
- Necessity for seismic upgrades, modernization and state of good repair.



Terminal 3 West



■ Terminal 3 West – reconfiguration of the western side of T3

- Redesigned layout will improve passenger flow and meet SFO's standards of customer service
- Necessity for seismic upgrades



2nd Long Term Parking Garage



■ New Long Term Parking Garage

- Existing Long-Term Parking facility at or near capacity
- Adds 3,000 spaces to inventory

Other Major Programs & Projects

Consolidated Admin Campus



Gate Enhancement Program



New Rental Car Facility



Airfield Improvements



Airtrain Extension



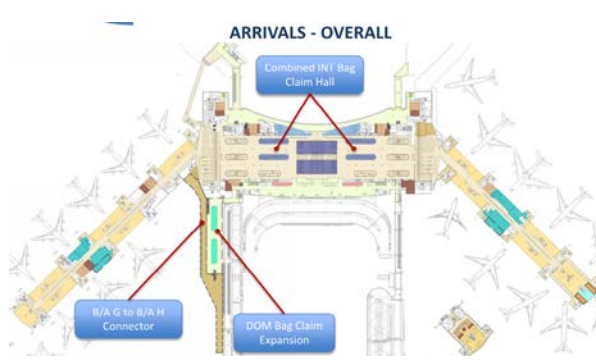
Water & Wastewater Improvements



Security Improvements



International Terminal Improvements



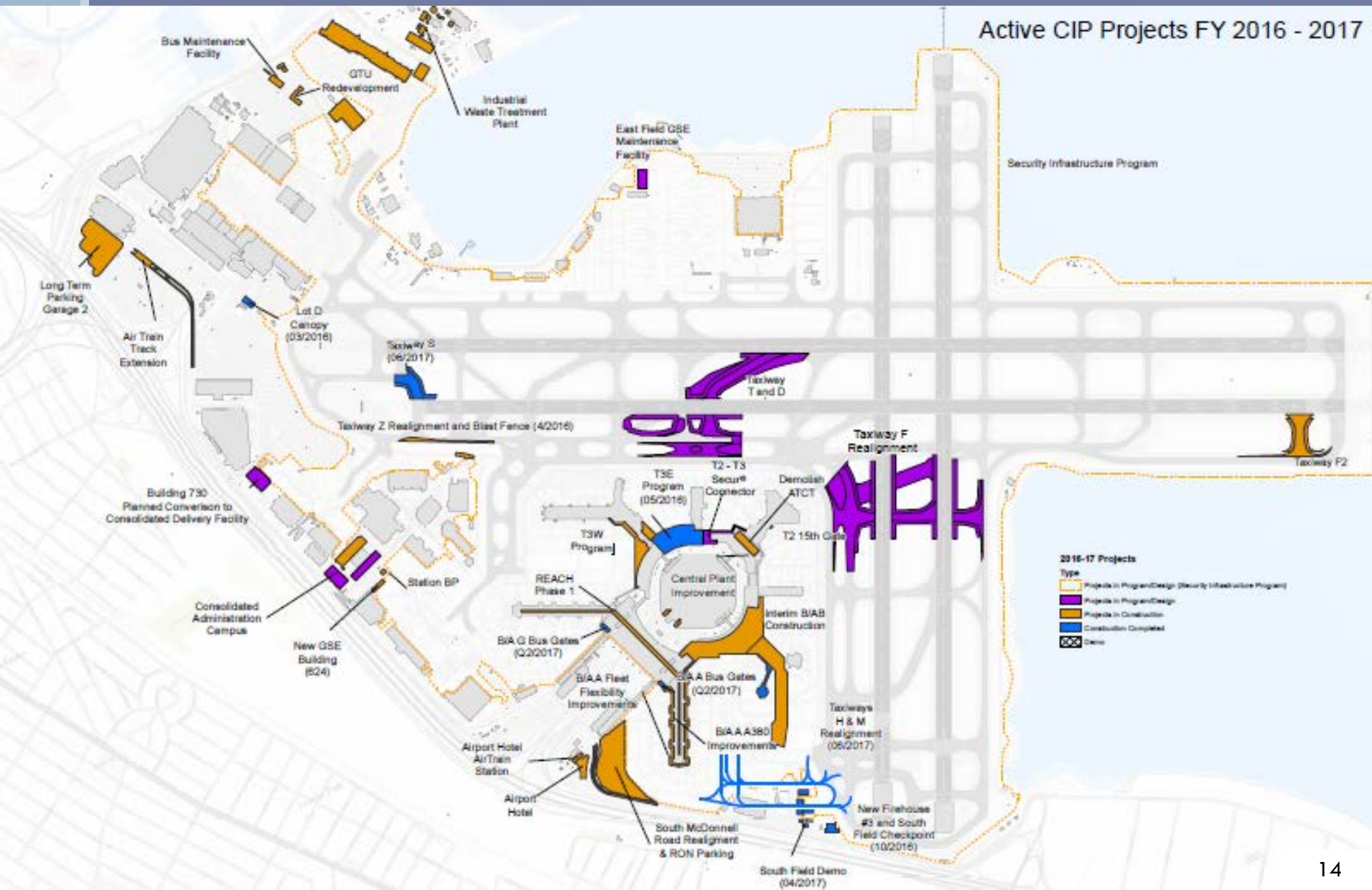
Technology Improvements



Major CIP Projects



Active CIP Projects FY 2016 - 2017



5-Yr CIP Summary



Airport Cost Center	Five-Year Plan	%
Terminal	3,311.1	58.0%
Groundside	1,052.0	18.4%
Airport Support	750.7	13.2%
Airfield	208.8	6.7%
Utilities	382.7	3.7%
Total	\$5,705.3	

(\$ in millions)

CIP Approvals & Reviews

- Presented to the Airport's Financial Advisory Committee (*April 2016*)
- Reviewed by the Airlines (*April 2016*)
- Adopted by Airport Commission (*June 2016*)
- Approved by CPC (*July 2016*)
- Reviewed with Rating Agencies (*Aug/Sept 2016*)