

Capital Program Scenarios

Capital Planning Committee

July 20, 2020



Approved Capital Program (CIP)

	Current Budget	Earned to Date
Ascent Program	7,269,598,822	4.405B
Infrastructure Program (FY19/20)	350,818,078	0.045B
TOTAL	7,620,417,135	4.45 B
		58%

Approved Capital Program (CIP)

Obtained Commission approval on June 2nd to add four (4) projects to the CIP:

New FY20/21 Infrastructure Projects	Amount
Runway 10L-28R Rehabilitation	137,000,000
Taxiway A&B	40,000,000
Noise Insulation 2020-2024	12,777,039
MLTP Sanitary Sewer Improvements	30,000,000
TOTAL	219,777,039

Approved Capital Program (CIP)

	Current Budget	Earned to Date
Ascent Program	7,269,598,822	4.405B
Infrastructure Program (FY19/20)	350,818,078	0.045B
→ Infrastructure Program (FY20/21)	219,777,039	0B
TOTAL	7,840,194,174	4.45 B

57%

CIP Evaluation in Response to COVID-19



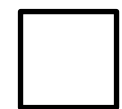
Step 1: Reprioritize CIP Projects

- Ascent projects have been categorized into A, B, and C
 - Category A: Project is in construction; has grant funding; is essential to operations
 - Category B: Critical projects that can be suspended for a period
 - Category C: Discretionary projects that can wait



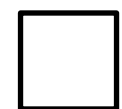
Step 2: Develop Capital Plan Scenarios

- Worst Case Plan: \$5.20B CIP
- Baseline Plan: \$6.65B CIP
- Best Case Plan: \$7.84B+ CIP



Step 3: Establish Triggers for Re-Activating Suspended Projects

- Passenger Count / TSA Throughput; Revenue Generation



Step 4: Develop a 4th Capital Plan Scenario: **\$6B “Reduced Baseline” Plan**

- On 6/24/20, Director Satero requested a new ~\$6B CIP Scenario be developed

Trigger Points for Project Re-Activation

Establish Trigger Points based on:

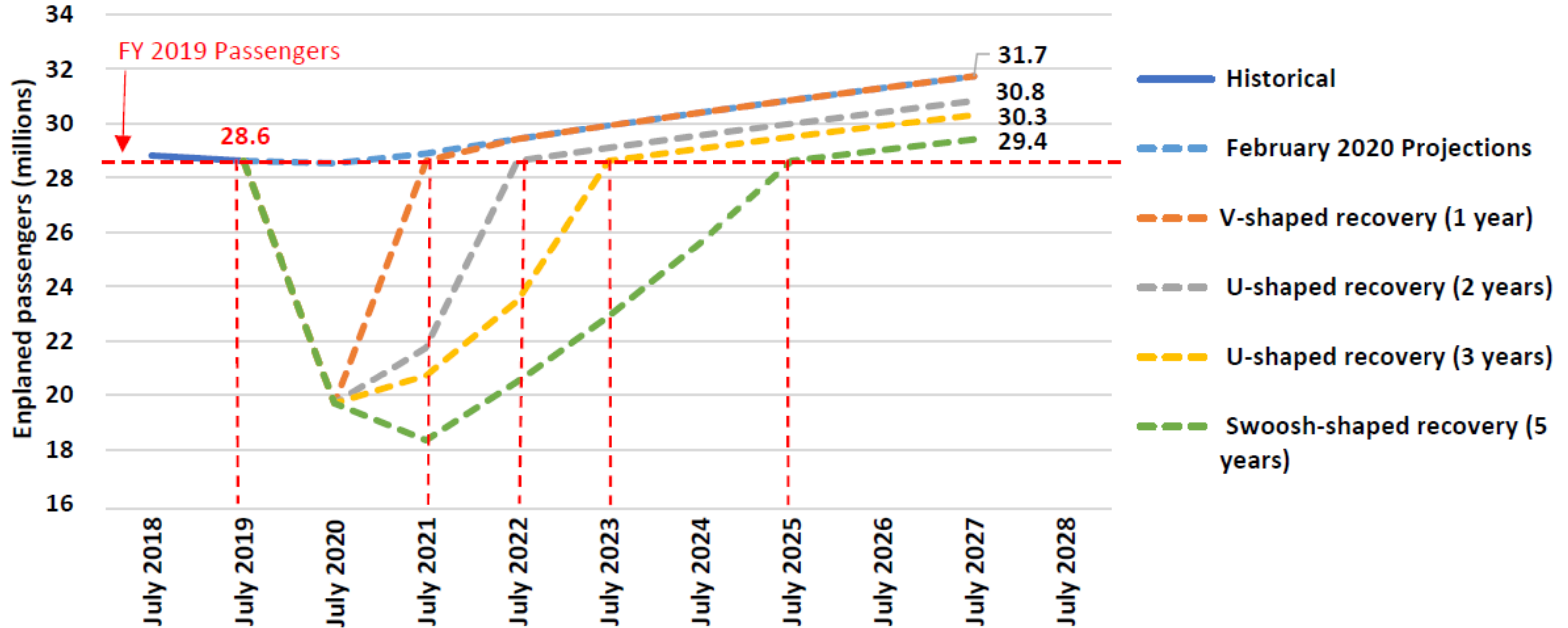
- Passenger Count / TSA Throughput
- Domestic Spend Rate
- International Traffic Return
- International Spend Rate

Note: Consider Trigger Points to move towards Worst Case Scenario (additional project/scope suspensions), if recovery flattens or declines.

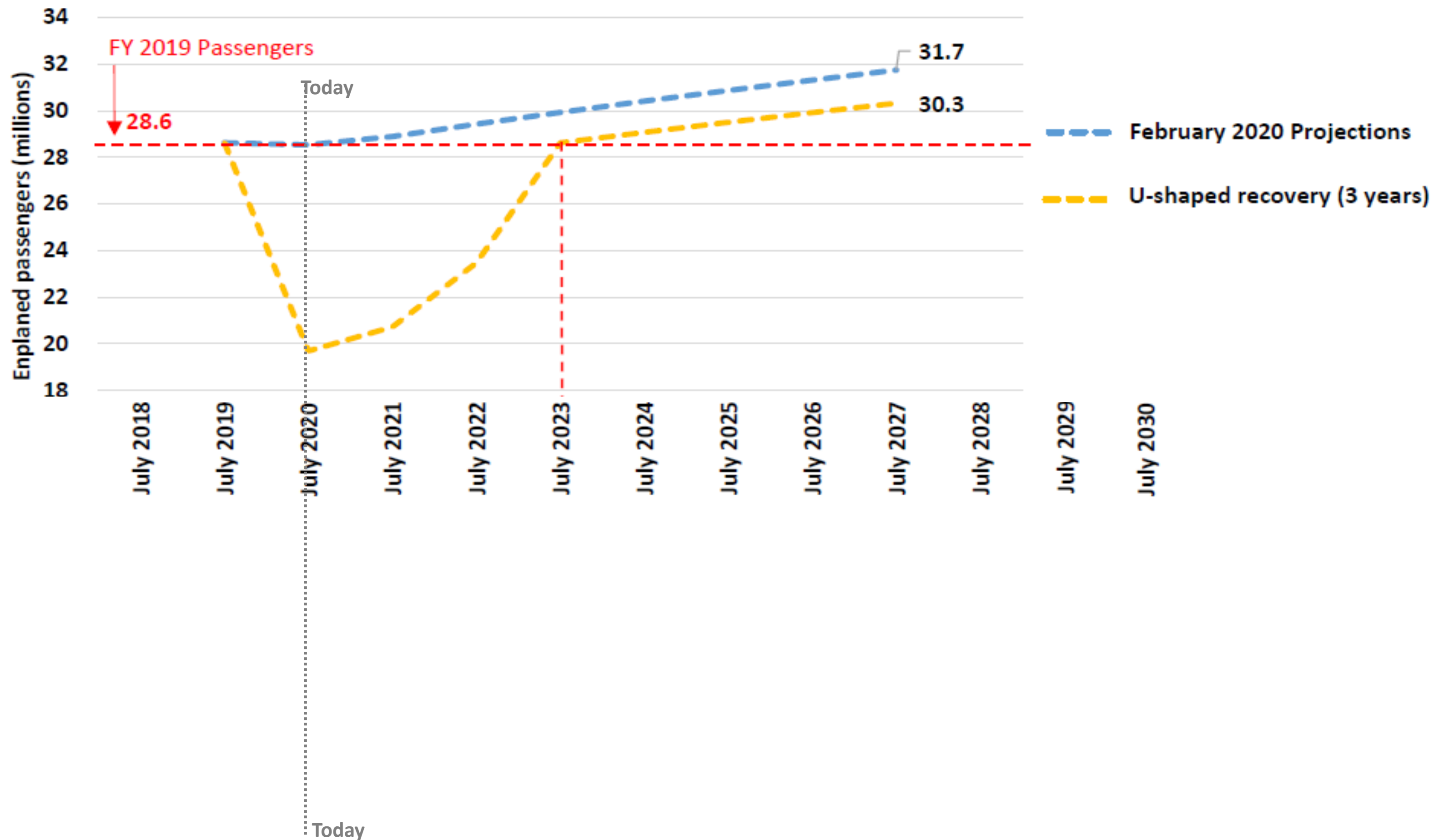
Methodology:

- Sustained Month over Month Growth
 - Example: 50% increase in passengers for 3 straight months.
 - Evaluate recovery trajectory/curve.
- Minimum Passenger Throughput Totals
 - Example: Passenger Count at 25%, 50%, 75%, etc. of FY19 levels
 - Example: 15K, 30K, 45K, 60K Passengers/Day
- Spend Rate: Domestic, International
 - Example: Spend Rate at 50%, 75%, 90%, etc. of FY19

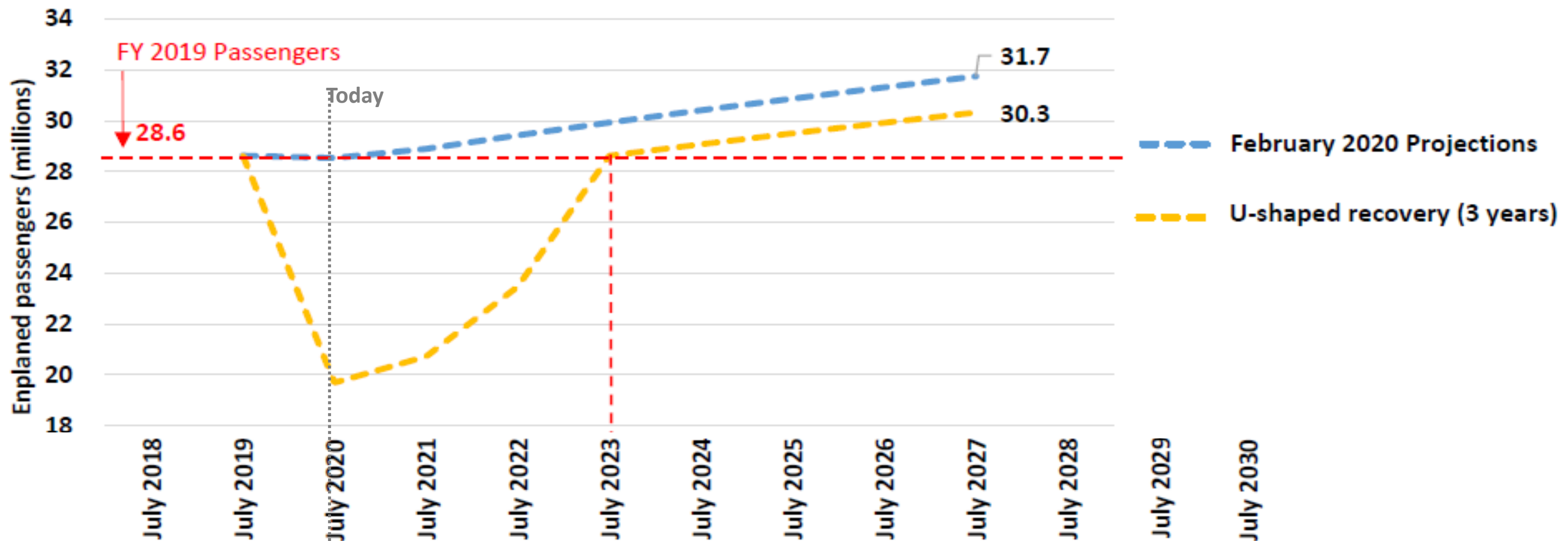
SFO B&F Recovery Scenarios



“Likely” Recovery Scenario: U-Shaped 3-Years



ON-RAMPS: Suspended CIP Scope



◆ **25% of Traffic Returns:** Re-activate \$350M of Ascent CIP

T3 West Phase 1 Airfield (5 Gates Closed) and Structure [\$300M]

Re-Activate \$50M of Category B Projects

◆ **50% of Traffic Returns:** Re-activate \$130M of Ascent CIP and Capital Plan Approval for \$400M

T3 West Phase 2 Pre-Security and East Addition [ADD \$400M to CIP]

Re-Activate \$130M of Category B Projects

◆ **75% of Traffic Returns:** Re-activate \$710M of Ascent CIP

T3 West Phase 3 Post-Security Build-Out and BHS [\$560M]

Re-Activate \$150M of Category C Projects

Today

NEXT STEPS

Trigger Points

- Finalize and obtain concurrence on “Triggers” for re-activating Suspended Projects, based on passenger count and revenue generation.
- Deadline: August 15, 2020

“Reduced Baseline” CIP Scenario

- Develop a Reduced Baseline CIP Scenario for the Director’s review and approval
- Target a \$6B CIP, which would require only \$800K of additional funding, instead of the \$1.45B required by the Baseline Scenario.
- Category A Projects will need to be suspended for this scenario (the Baseline Scenario only suspends Category B and C projects)
- Major projects and scope, such as Terminal 1 North, the Courtyard 3 Connector office block build-out, and the ITB Phase 2 project will likely need to be suspended.



Thank You