



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: John Aitken

SUBJECT: AIRPORT IMPROVEMENT GRANT
PROGRAM AUTHORIZATION

DATE: November 6, 2017

Approved

John A. Maguire

Date

11-16-17

RECOMMENDATION

Adopt a resolution authorizing the City Manager to apply for, execute, and accept upon receipt, grants from the Federal Aviation Administration (FAA) for the construction portion of the Airfield Electrical System Rehabilitation project at the Norman Y. Mineta San José International Airport (Airport) in a total amount not to exceed \$8,050,000.

OUTCOME

Approval of this recommendation will allow the City to apply for, execute and accept grant funds to partially reduce the City's out of pocket costs for projects that enhance security, safety, capacity, or environmental concerns at the Airport.

BACKGROUND

In September 2017, as part of its application for Federal Airport Improvement Program (AIP) grant funding, the City submitted a four-year Airport Capital Improvement Plan (ACIP) to the FAA for the federal fiscal years 2016-2017 through 2020-2021. The ACIP is used by the FAA to determine funding. The AIP grants typically provide reimbursement up to 80.59% of eligible project costs. Funding for AIP projects comes from two sources – entitlement funds and discretionary funds. The entitlement grant funds are primarily funded by the taxes and fees paid by passengers, general aviation, and cargo shippers, and are distributed based on individual airport passenger and cargo traffic. The City's total entitlement amount for FY 16-17 was approximately \$2.4 million and the total amount for FY 17-18 is estimated to be approximately \$2.2 million. The allocation of AIP discretionary funds is competitive and subject to availability of funds, annual congressional approval of appropriations, and a national priority of proposed projects. The amount the City receives from discretionary funds varies as it depends on congressional approval and a complex distribution formula. At this time, staff cannot determine the amount of discretionary funds, if any, that the City may receive for 2017-2018.

Council approval to submit a grant application for the construction portion of the Airfield Electrical System Rehabilitation project is being requested to allow staff to file grant applications in a timely manner in the event that more AIP funding becomes available.

ANALYSIS

Airfield Electrical System Rehabilitation:

This project includes rehabilitation of the airfield lighting cables, associated circuiting routes, manholes/hand holes, duct bank systems, and selected transformers. The Airport intends to improve circuit reliability by replacing airfield lighting circuit cables and by consolidating these circuits to improve efficiency in existing constant current regulators (CCRs). The project will provide the infrastructure (duct bank, conduit, and cable) and accessories (junction cans), including the replacement of existing airfield electrical manholes with junction can plazas. The project also includes a conversion of the runway guard lights and the remaining taxiway edge lights to LED from the existing quartz fixtures.

EVALUATION AND FOLLOW-UP

The Director of Aviation shall be responsible for coordination of the Grant Programs and shall render overall supervision of its progress and performance. City Council approval will be sought as construction contracts are awarded in accordance with the project schedule.

PUBLIC OUTREACH

This item will be posted on the City's Council Agenda website for the November 28, 2017 Council meeting. Additional public outreach efforts will take place when the contracts for these projects are available for bid.

COORDINATION

This memorandum has been coordinated with the City Attorney's Office and the City Manager's Budget Office.

COMMISSION RECOMMENDATION/INPUT

Due to the timing of the next Airport Commission meeting, which is on November 13, 2017, this item has not been reviewed by the Airport Commission. However, all the Commissioners have been informed of staff's recommendation to Council and staff will follow up with the Commission at its November 13th meeting.

FISCAL/POLICY ALIGNMENT

The San José Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The Airfield Electrical System Rehabilitation would support the ongoing operation of the Airport and is therefore consistent with the adopted Airport Master Plan pursuant to Municipal Code Section 25.04.210(B)(4).

COST SUMMARY IMPLICATIONS

The grant funding, if awarded, will be used to offset all or a portion of the costs of these projects, which is estimated to be \$8,050,000.

BUDGET REFERENCE

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2017-2018 Adopted Capital Budget Page	Last Budget Action (Date, Ord No.)
520	401E	Airfield Electrical Circuit Rehabilitation	\$6,448,000	N/A	837	6/20/2017, Ord. No. 29962
527	401E	Airfield Electrical Circuit Rehabilitation	\$1,522,000	N/A	837	6/20/2017, Ord. No. 29962
Total Current Funding Available			\$7,970,000			

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CEQA

Resolution Nos. 67380 and 71451, PP17-079.

/s/

JOHN AITKEN, A.A.E.

Director of Aviation

For questions, please contact John Aitken, Director of Aviation at (408) 392-3610.