



COUNCIL AGENDA: 11/06/18  
FILE: 18-1485  
ITEM: 6.3

# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Aitken

**SUBJECT:** SEE BELOW

**DATE:** October 24, 2018

Approved

*D. D. S. L.*

Date

*10/25/18*

**SUBJECT: AIRPORT IMPROVEMENT PROGRAM GRANT AUTHORIZATION  
FOR THE AIRFIELD ELECTRICAL SYSTEM REHABILITATION  
PROJECT**

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to apply for, execute, and accept upon receipt, grants from the Federal Aviation Administration (FAA) to continue the Airfield Electrical System Rehabilitation project at the Norman Y. Mineta San José International Airport (Airport) in an additional amount not to exceed \$7,600,000.

## 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 August 2018, as part of its application for Federal Airport Improvement Program (AIP) grant funding, the City submitted a six-year Airport Capital Improvement Plan to the FAA for the federal fiscal years 2018-2019 through 2023-2024. The Airport Capital Improvement Plan 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 17-18 was approximately \$2,300,000. The allocation of AIP discretionary funds is competitive and subject to availability of funds, annual congressional approval of appropriations, and 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 FY 18-19.

The City Council previously adopted Resolution Nos. 77967 and 78418, authorizing the City Manager to apply for, execute and accept upon receipt, Federal Airport Improvement Program grants not to exceed a total of \$9,050,000 for the design and construction of the Airfield Electrical Project. Council approval to submit grant applications for the remaining phases 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**

The Airfield Electrical System Rehabilitation project includes rehabilitation of the airfield lighting cables, associated circuiting routes, manholes/hand holes, duct bank systems, selected transformers, and upgrading the remaining taxiway edge lights to LED from the existing quartz fixtures. The Airport intends to improve circuit reliability by replacing airfield lighting circuit cables and consolidating these circuits to improve efficiency in existing constant current regulators. 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.

In August 2018, the City was awarded \$5,300,000 in AIP grant funds for the first phase of the project, which includes the runway and runway guard lights systems. Construction for the first phase is estimated to begin in February 2019.

### **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.

### **POLICY ALTERNATIVES**

#### ***Alternative #1: Do not approve the recommendation***

**Pros:** None

**Cons:** If the recommendation is not approved, the City will not apply for grant funding and will miss the opportunity to obtain grant funds for the City.

**Reason for not recommending:** Airport staff does not wish to miss an opportunity to apply for funding for projects.

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### **PUBLIC OUTREACH**

This item will be posted on the City Council's Agenda website for the November 6, 2018 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**

The Airport Commission was briefed on the Airfield Electrical Rehabilitation project at its August 13, 2018 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).

### **BUDGET 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 \$7,600,000.

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**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2018-2019 Adopted Capital Budget Page	Last Budget Action (Date, Ord No.)
520	401E	Airfield Electrical Circuit Rehabilitation	\$9,672,000	N/A	V-711	6/19/2018, Ord. No. 30124
527	401E	Airfield Electrical Circuit Rehabilitation	\$1,421,000	N/A	V-711	6/19/2018, Ord. No. 30124
<b>Total Current Funding Available</b>			<b>\$11,093,000</b>			

**CEQA**

CEQA: Not a Project, File No. PP17 003, Agreements/Contracts (New or Amended) resulting in no physical changes to the environment.

/s/

JOHN AITKEN, A.A.E.  
Director of Aviation

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