



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** John Aitken

**SUBJECT:** SEE BELOW

**DATE:** October 13, 2020

Approved

Date

10/22/2020

**SUBJECT: AUTHORIZATION TO SEEK FAA GRANT FUNDING FOR AIRPORT  
SAFETY/PAVEMENT IMPROVEMENTS AND AIR  
POLLUTION/GREENHOUSE GAS EMISSION MITIGATION**

## **RECOMMENDATION**

Adopt a resolution authorizing the City Manager to apply for, execute, and accept upon receipt, Airport Improvement Program (AIP), Zero Emission Vehicle (ZEV), Voluntary Airport Low Emissions Program (VALE), and other potential environmental and energy grants from the Federal Aviation Administration (FAA) in a total amount not to exceed \$88 million for certain projects at the Norman Y. Mineta San José International Airport (Airport).

## **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 2020, the City submitted a six-year Airport Capital Improvement Plan (ACIP) to the FAA for the federal fiscal years 2020-2021 through 2025-2026. The ACIP is used by the FAA to determine funding. The AIP grants typically provide reimbursement up to 80.59% of eligible project costs. However, staff will aggressively seek local match grants in any future legislation, if such should be passed. 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 19-20 was approximately \$2.7 million. 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 21-22.

The City Council previously adopted Resolution No. 77967, authorizing the City Manager to apply for, execute and accept upon receipt grants not to exceed a total of \$80.0 million for certain projects, including \$45.0 million for the design and construction of the Terminal B Expansion Ramp and \$15.0 million for ZEV buses and infrastructure.

The VALE program, established in 2005, aims to help airport sponsors meet their air quality responsibilities under the Clean Air Act. Through these programs, airport sponsors can use AIP funds and Passenger Facility Charges (PFCs) to help acquire refueling and recharging stations, electrified gates, low-emission vehicles, and other airport related air quality improvements.

The ZEV program, created through the FAA Modernization and Reform Act of 2012, allows the FAA to award AIP grants to airport sponsors for the acquisition and operation of zero emissions vehicles including the construction or modification of infrastructure to facilitate the delivery of fuel and services necessary for the use of such vehicles.

Council approval to submit grant applications and accept grant funds for the following projects is being requested to allow staff to file grant applications in a timely manner in the event that AIP funding becomes available:

- Terminal B Expansion Ramp
- Runway Incursion Mitigation (RIM) Implementation
- Southwest Quadrant Asphalt Concrete (AC) Apron Reconstruction
- Emissions Reduction Equipment (VALE, ZEV, or other energy programs)

## **ANALYSIS**

### **Terminal B Expansion Ramp:**

This Project anticipates the expansion of the Terminal B ramp and requires the apron to be extended to accommodate additional gates for the next phase of the terminal development. This Project includes reconstruction of approximately 362,124 square feet of existing apron south of Terminal B to accommodate for Gate positions 37-42 and to prepare for the Airport's future expansion of Terminal B. Until Terminal B is extended, these positions will be used as Remain Overnight positions to accommodate demand. The Terminal B Expansion is identified in the Master Plan and allows for up to 42 Gate positions.

### **Runway Incursion Mitigation (RIM) Implementation:**

This Project would implement the first five years of airfield safety improvements recommended in the Airport's RIM/Design Standards Analysis Study and approved as part of the amended Airport Master Plan and identified in the ACIP for the federal fiscal years 2020-2021 through 2025-2026. These improvements include closure of existing taxiways to address issues associated with high energy runway crossings; design and construction of new taxiways to address design standard deficiencies and improve airfield flow and ground taxi movements; taxiway extensions and improvements; construction of new taxi lane to improve lateral movements and reduce controller workload; taxiway marking and paintings; design and construction of general aviation (GA) apron expansion and relocation of existing GA run-up area.

### **Southwest Quadrant AC Apron Reconstruction:**

The Project will rehabilitate approximately 33,000 square feet of existing deteriorated asphalt pavement that is at the end of its lifespan, located in the southwest quadrant of the Airport, directly north of the proposed General Aviation Run-up Pad Relocation project identified in the RIM. The existing asphalt would be replaced with asphalt concrete pavement to support to Airport operations. The new asphalt concrete apron would be designed to withstand the weight of Airport emergency vehicles operations and provide a quicker response time throughout the Air Operations Area. The project improvements include minor modifications to drainage, lighting, striping and signage.

### **VALE Emissions Reduction Equipment, Zero Emission Vehicles, and Other Energy Programs:**

This project anticipates the replacement of approximately ten electric general service utility vehicles and fifteen pre-conditioned air units, which are approaching the end of their useful lifespan. In addition, this project would provide for the replacement of approximately ten fossil fuel powered vehicles used by Airport staff and replace them with new electric or alternative fueled vehicles. The project will potentially provide for the installation of approximately thirty electric vehicle charging stations for use by Airport-owned vehicles, passenger vehicles, and employee vehicles. This project and all sub-projects are dependent on approval from FAA to utilize grant funds.

### **CONCLUSION**

The proposed projects will enhance security, safety, capacity, or environmental concerns at the Airport. Authority to accept federal grant funds will partially reduce the City's out of pocket costs for the projects.

### **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 and purchasing contracts are awarded in accordance with the project schedule.

### **CLIMATE SMART SAN JOSE**

The recommendation in this memo aligns with one or more Climate Smart San José energy, water, or mobility goals.

### **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.

### **PUBLIC OUTREACH**

This item will be posted on the City Council's Agenda website for the November 3, 2020 Council meeting. These items will also be presented to the Airport Commission meeting on November 9, 2020. Additional public outreach efforts will take place when each of the contracts for these projects are available for bid, including outreach to the DBE community.

### **COORDINATION**

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

### **COMMISSION RECOMMENDATION/INPUT**

The Airport Commission will be briefed on the projects at its November 9, 2020 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 four projects are consistent with the adopted Master Plan pursuant to Municipal Code Section 25.04.210(B). The RIM Implementation Project consists of up to 11 airfield safety improvements expressly identified in the Master Plan (Projects “A-17, “A-26”, “A-37”, “A-40-43” and “A-46-49”. The Terminal B Expansion Ramp and the South Quadrant AC Apron Reconstruction are necessary components of projects expressly identified in the Master Plan (“T-13” and “S-7”, respectively). The Emissions Reduction Equipment would support Master Plan environmental mitigation measures and the ongoing operation of the Airport.

**BUDGET REFERENCE**

The grant funding, if awarded, will be used to offset all or a portion of the costs of the projects and the table below identifies the funds and appropriations currently anticipated to fund the projects. Staff will submit requests to modify budgets or create appropriations to align them with a grant award should notification of award be received from the FAA.

Fund #	Appn #	Appn. Name	Total Appn	Amt. for Contract	2020-2021 Adopted Capital Budget Page*	Last Budget Action (Date, Ord. No.)
<b>Remaining Funding Available</b>						
520	400M	Terminal B Ramp Rehabilitation	\$11,710,000	N/A	V-380	6/23/2020, Ord. No. 30437
520	401F	Airfield Geometric Implementation	\$14,096,000	N/A	V-375	6/23/2020, Ord. No. 30437
<b>Total Current Funding Available</b>			<b>\$25,806,000</b>			

\* The 2020-2021 Adopted Operating Budget was approved on June 16, 2020 and adopted on June 23, 2020 by the City Council.

HONORABLE MAYOR AND CITY COUNCIL

October 13, 2020

**Subject: Airport Improvement Program Grant Authorization**

Page 6

**CEQA**

Determination of Consistency with the Amendment to the Norman Y. Mineta San José International Airport Master Plan Environmental Impact Report (EIR) adopted through Resolution No 79497 on April 28, 2020 (SCH#2018102020). Pursuant to Section 15168 of the CEQA Guidelines, the City of San José has determined that this activity is within the scope of the earlier approved programs and the Final EIR adequately describe the activity for purposes of CEQA. The project does not involve new significant effects beyond those analyzed in the Final EIR.

/s/

JOHN AITKEN, A.A.E.

Director of Aviation

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