



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Kimberly Becker

**SUBJECT:** AIRPORT IMPROVEMENT GRANT  
PROGRAM AUTHORIZATION

**DATE:** October 11, 2016

Approved

*D. D. S. L.*

Date

*10/19/16*

## RECOMMENDATION

Adopt a resolution authorizing the City Manager to apply for, execute, and accept upon receipt, grants from the Federal Aviation Administration (FAA), Volkswagen Clean Air Act (VCAA) Partial Settlement Trust Fund, and the Bay Area Air Quality Management District (BAAQMD) in a total amount not to exceed \$80,000,000 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 from federal, regional and Trust Fund to partially reduce the City's out of pocket costs for projects that enhance security, safety, capacity, or environmental concerns at the Airport.

## BACKGROUND

On September 8, 2016, as part of its application for Federal Airport Improvement Program (AIP) grant funding, the City submitted a five-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. AIP project funding comes from various sources such as airport entitlement funds, discretionary funds, Voluntary Airport Low Emission (VALE) and Zero Emission Vehicle (ZEV) programs. 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 15-16 was approximately \$2,100,000 and the total amount for FY 16-17 is estimated to be approximately \$2,400,000. 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 2016-2017.

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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.

The VCAA settlement resolved claims that 2.0-liter diesel engines were equipped with “defeat devices” by the automaker Volkswagen to cheat emissions tests. As a result of this settlement, Volkswagen is required to invest \$2.0 billion to promote the use of ZEVs and ZEV technology. The Airport has an opportunity to apply for and receive up to 100% funding from the Volkswagen Trust Fund for electric shuttle buses and the associated charging infrastructure.

Another potential source of grant funding is the Bay Area Air Quality Management District’s Zero Emission and Partial Emission Vehicles Program. Grant funding from BAAQMD’s TFCA Regional Fund is available to public agencies for the purchase or lease of zero-emissions heavy-duty vehicles in high-mileage fleets.

Council approval to submit grant applications for the following projects is being requested to allow staff to file grant applications in a timely manner in the event that AIP, ZEV, VALE, Volkswagen Trust Fund, and BAAQMD funding becomes available:

- Airport Rescue and Fire Fighting (ARFF) Facility Renovation – Design
- Safety Management Systems (SMS)
- Upgrade Lighting System for CAT II Approach
- Airfield Electrical System Upgrades – Design
- Electronic Airport Layout Plan (eALP) Development
- Terminal B Expansion Ramp
- Airport Noise Monitoring System (ANOMS) Replacement
- Zero Emissions Buses and Infrastructure

## **ANALYSIS**

### **Aircraft Rescue and Fire Fighting (ARFF) Facility - Design:**

This project provides for the design of a new ARFF Facility which includes a larger training area, additional sleeping quarters, and additional vehicle bays. The existing station was built in 1963 and is in need of substantial repairs. The generation of the building did not take into account more contemporary ARFF vehicles, specifically the equipment attached to the newer

vehicles. A study will be conducted as to the best location of the ARFF Facility as well as an in-depth condition assessment to determine the most effective alternative for the ARFF Facility.

**Safety Management System (SMS):**

SMS is the new FAA regulatory requirement which comprises of four functional components such as (1) the development of formal airport safety policies, (2) the implementation of safety risk management, (3) the continuous safety evaluation to ensure the effectiveness of policies and control strategies, and (4) the safety promotion component which includes training and communication.

This project involves the use of consulting services to develop a SMS Program for the Airport. It includes a gap analysis, SMS Manual and Program, and an Implementation Plan.

**Upgrade Lighting System for CAT II Approach:**

This project would modify or replace existing electrical switching equipment to meet the FAA lighting requirements for aircraft arrivals on Runway 12R-30L in reduced visibility conditions, known as Category II or CAT II. In the event of an electrical power failure, the existing system switches over to generator power in ten seconds, whereas the FAA requirement for Category II is one second switchover.

**Airfield Electrical System Upgrade – Design:**

This project includes the design of the airfield lighting cables, associated circuiting routes, manholes/hand holes, duct bank systems, and selected transformers.

**Electronic Airport Layout Plan (eALP) Development:**

This project includes collection and delivery of aerial photography, topographic base mapping, a detailed survey of the airport, digitizing relevant airport features, 3D facility modeling, and validation of existing geospatial data. The goal of the new Geographic Information Systems (GIS) database mapping and eALP data will include compliance and consistency with FAA Advisory Circulars AC 150/5300-16, 17, 18, and then build upon the data by developing a GIS database, deploying a web portal, establishing data standards, and implementing data maintenance procedures.

**Terminal B Expansion Ramp:**

This project anticipates the expansion of Terminal B and requires the apron be extended to accommodate additional gates for the next phase of terminal development. It would provide newly constructed apron for 10 aircraft (two positions already exist). 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 up to 40 gates as opposed to the current 28 gates.

**Airport Noise Monitoring System (ANOMS) Replacement:**

This project would replace the Airport's current Noise Monitoring System hardware and associated software. The current system was deployed over 13 years ago and is approaching the end of its useful life. The new system includes 13 remote noise monitoring units and an integrated system that collects flight, operational, and complaint data. In addition, the system provides more technical information for enhanced data analysis and real-time collection of aircraft flight track data. The new system can be used to validate the accuracy of Community Noise Equivalent Level (CNEL) noise contour models.

**Zero Emission Buses:**

This project would replace the Airport's current fleet of 10 Compressed Natural Gas (CNG) buses with electric buses and install the infrastructure necessary for charging the buses.

**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 does not wish to miss an opportunity to apply for funding for projects.

### **PUBLIC OUTREACH**

This item will be posted on the City's Council Agenda website for the November 1, 2016 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 14, 2016, 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 14 meeting.

### **FISCAL/POLICY ALIGNMENT**

The San Jose Municipal Code requires that capital projects at the Airport be consistent with the adopted Airport Master Plan. The eight projects proposed for potential FAA grant funding are either components of projects expressly identified in the Airport Master Plan or would support the ongoing operation, maintenance, or administration of the Airport, and are thereby consistent with the adopted Master Plan pursuant to Municipal Code Section 25.04.210(B)(2&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 \$80,000,000.

Based on potential availability of grant funds as described in this memo, it is anticipated that the budget for these additional projects will be requested at 2016-2017 Mid-Year Budget Review.

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**BUDGET REFERENCE**

Fund #	Appn #	Appn. Name	Total Appn.	Amt. for Contract	2016-2017 Adopted Capital Budget Page	Last Budget Action (Date, Ord No.)
520	7744	Safety Management Systems (SMS)	\$403,000		V - 726	6/21/2016, Ord. No. 29762
526	6980	Safety Management Systems (SMS)	\$29,000		V - 726	6/21/2016, Ord. No. 29762
527	6980	Safety Management Systems (SMS)	\$68,000		V - 726	6/21/2016, Ord. No. 29762
<b>Total Current Funding Available</b>			<b>\$500,000</b>			

Funding is not currently appropriated for the following projects:

- Aircraft Rescue and Fire Fighting (ARFF) Facility Renovation
- Upgrade Lighting for CAT II Approach
- Airfield Electrical System Upgrade
- Electronic Airport Layout Plan (eALP) Development
- Terminal B Expansion Ramp
- Airport Noise Monitoring System (ANOMS) Replacement
- Zero Emission Buses

**CEQA**

- Resolution Nos. 67380 and 71451, PP16-113 (Upgraded Lighting System for CAT II Approach, Terminal B Expansion Ramp, and Zero Emission Bus Infrastructure).
- Not a Project, File No. PP10-066(a), purchase order/equipment with no changes in the physical environment (Airport Noise Monitoring System Replacement and Zero Emissions Buses).

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- Not a Project, File No. PP10-066(d), consultant surfaces for design/study/research/inspection (Airport Rescue and Fire Fighting Facility Renovation Design and Airfield Electrical System Upgrades Design).
- Not a Project, File No. PP10-066(e), services that involve no physical changes to the environment (Safety Management System and Electronic Airport Layout Plan Development).

/s/

KIMBERLY J. BECKER  
Director of Aviation

For questions, please contact Kimberly J. Becker, Director of Aviation at (408) 392-3610.