



MEMORANDUM

TO: Members, Capital Planning Committee
FROM: Kevin Kone, Managing Finance Director *KK*
SUBJECT: CPC Meeting, February 12, 2018 – Airport Two-Year Appropriation
DATE: February 12, 2018

The Airport is requesting Capital Planning Committee consideration and approval of the Airport's proposed **\$50,295,945** Fiscal Year (FY) 2018-19 and **\$47,600,000** 2019-20 biennial capital budget, totaling **\$97,895,945**.

Sources of funds will come from the Airport's operating funds, federal and state grants, and capital funds. Combined with the Airport's airport revenue bond appropriation authority, the requested biennial capital budget will help finance capital projects from the following cost centers in the Airport's Capital Improvement Plan (CIP).

Airfield Improvements - \$38,730,000

Major airfield-related CIP projects include taxiway and runway improvement projects. Airfield Improvement projects also include ramps, aprons, landing areas, adjacent infield areas, and related support facilities.

Airport Support Improvements - \$24,950,000

Airport Support projects include areas and facilities that support airline functions. Major Airport Support projects include security infrastructure improvements; technology improvements; renovation of the Superbay Hangar; and the Airport Shoreline Protection program.

Groundside Improvements - \$10,760,000

Groundside Improvement projects include roadways, non-airline shuttle bus services, and non-terminal and non-governmental buildings and structures. High-profile Groundside Improvement projects include the extension of the AirTrain system, serving the existing and new long-term parking garages; a new long-term parking garage; the Airport Hotel; and realignment of South McDonnell Road.

Utilities Improvements - \$8,770,945

Utilities Improvements includes the facilities for water, gas, and electricity. Major utilities-related CIP projects include "net zero" energy-use related improvements to the terminals and other major Airport facilities and systems; wastewater system improvements; water system improvements; and power and lighting improvements.

Terminal Improvements - \$14,685,000

Terminal Improvements include all areas within the Airport's passenger terminals. The largest terminal projects in the Airport's CIP are for the renovation of Terminal 1 and the renovation of the western side of Terminal 3. Other major terminal projects include the International Terminal – Phase 1 project, to improve the operational efficiency within the terminal; the Courtyard 3 Connector project, which will construct a post-security passenger connector between Terminal 2 and Terminal 3 in conjunction with a multi-story office block for Commission and tenant use; the Gate Enhancement project to meet increased gate demands; and improvements to the International Terminal baggage handling system.

Thank you for your consideration of the Airport's request. If you have any questions or need additional information, please contact Ian Hart at (650) 821-2872. Your consideration of this request is greatly appreciated.