

A. San Francisco Airport Facilities



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The Airport manages passenger terminals, cargo buildings and maintenance facilities as well as runways, roadways, an AirTrain, and utilities infrastructure.

A. Airport Facilities Highlights

The Airport annually produces a 5-Year Capital Improvement Plan for review by its Commission. The Airport's current 5-Year Capital Plan is incorporated into this 10-year Capital Plan, specifically as capital projects projected for the first 5 years, these represent the highest priority capital projects that the Airport expects to undertake. The second 5-year period of the 10-year Capital Plan, anticipates lower-priority capital projects that can be deferred until later in the Plan..

In summary, the attached 10-Year Plan includes the projected Airport requirements for:

- Facilities operation and maintenance budget to cover routine facilities maintenance projects.
- Renewal budget to cover the cost of non-routine maintenance and repair projects.
- Deferred maintenance, related to facilities maintenance projects not included under the maintenance or renewal budgets (potentially being deferred until some future time in order to accommodate higher-priority projects within the available resources).
- Capital improvement projects for each one of the Airport's cost centers (Airfield, Terminals, Support Areas, Utilities, and Groundside).

The plan also indicates the projected funding sources for the referenced facilities maintenance and capital needs. These sources include:

- **The \$283,627,698 unexpended balance of existing capital funds which were appropriated in support of the Airport's Capital Improvement Plan for FY2005/2006.**
- **The capital funds related to the \$16,432,714 Supplemental Appropriation request to the FY2005/2006 Capital Plan** (recently approved by the Board of Supervisors). Of this amount, \$15,707,484 represents reprogramming of existing funds and only \$635,230 corresponds to new capital funds.
- **Additional \$46,528,071 capital funds related to the Capital Improvement Plan for FY2006/2007 being developed by the Airport.** Out of this total, \$12,644,247 represents reprogramming of existing funds and \$33,883,824 represents new capital funds.

- **Other funding sources.** The Plan also includes projections of other funding sources, such as interest earnings on existing bond proceeds, operating funds to cover capital improvements, future grant funds, and a portion of Passenger Facility Charges to be used for capital improvements.

Although at some point in the next 1-2 years the Airport expects to start issuing new capital revenue bonds for this purpose, currently the amount and timing of any new debt have not been determined. Hence, the attached plan does not consider this as a funding source yet; this plan can be revised when the Airport determines the projected amounts and timing of additional bond issues.

1. Renewal Program

A major requirement for renewal and repair for the Airport is the Airfield, specifically the runways and taxiways. The Airport uses a pavement management system to assess the condition of the runways and taxiways to prioritize renewal and repair efforts. The Airport Capital Improvement Plan (ACIP) applies to the Federal Aviation Administration (FAA) to request grant funds under the Airport Improvement Program (AIP). Historically, the Airport has received approximately \$25 Million annually through the AIP. The \$25 Million represents the federal 75% matching share to the 25% that is committed through Airport capital funds. Pavement renewal is capitalized while pavement repairs are completed through the Operating Budget and Facilities Maintenance funds, since repairs are not eligible for AIP. The Airport intends to commit approximately \$30 Million annually to fund runway and taxiway renewals and repairs, provided there are AIP matching grant funds.

Assessments for Airport Terminals and other significant buildings are done in concert with capacity planning and projected air traffic loads since renewal efforts alone cannot meet the changing demographics and competitive demands of the industry. Current business levels, as well as the evolving growth of flight operations and passengers, will eventually prompt requirements for major capital improvements that will be undertaken to replace many buildings that are more than 50 years old. The many modern facilities, structures, and roadways that were completed under the Master Plan provide the Airport with the ability to accommodate foreseeable growth in a dynamically changing environment. Therefore, the efforts of the Airport to address the needs for the older buildings over the next few years will focus on repairing roofs, replacing carpets, repairing cracks, painting, etc. The Airport is prepared to commit approximately \$25 Million annually for building maintenance. The Airport does not expect to initiate a large-scale building replacement program within the next 5 to 10 year planning horizon. The upper level viaduct and the seismic retrofitting of Terminal 3 facilities represent the major modifications contemplated by the Airport over the coming 10-year planning horizon.

The Airport performs an ongoing assessment of the utilities infrastructure to determine renewal and replacement/repair requirements. This process of utilities infrastructure life cycle analysis has resulted in a renewal and replacement/repair program of approximately \$10 Million per year.

The Airport recognizes that there are deferred maintenance, renewal, and replacement challenges that can only be addressed under a vastly improved business environment. Such deferred projects are generally considered of a lower priority level, and are only postponed in order to accommodate higher-priority maintenance projects with the available resources.

2. Enhancement Program (FY2007 – FY2011)

The Airport is planning to fund capital improvement projects totaling approximately \$284 Million during the first five years (FY2006-2007 through FY2010-2011) of the ten-year capital plan. The major projects are:

- Industrial Waste Treatment Plant – to increase efficiency, processing, and capacity
- Terminal Upper Level Viaduct, Phase I – to begin reinforcing the main transit route connecting all terminal facilities
- Terminal 1 Boarding Area “B” Repair – to repair and reinforce building structure
- Passenger Loading Bridges and Apron Modifications – to accommodate new large aircraft operations such as the Airbus A380
- Terminal 1 AirTrain Bridges and Mezzanine – to improve connectivity between Terminal 1 and the AirTrain
- West Field Cargo Redevelopment I – to improve cargo operations and capacity
- Power Distribution System Loop Connection, Phase I – to improve power distribution
- Phased Reconstruction and Overlay Taxiways – to renew and maintain airfield pavements
- Boarding Area “A” Activation of Remaining 3 Gates – to maximize gate operations at International Boarding Area “A”

3. Enhancement Program (FY2012 – FY2016)

The Airport is planning to undertake the following major capital projects during the second five years (FY2011-2012 through FY2014-2016) of the ten-year capital plan.

- Terminal 3 Seismic Upgrade
- Terminal Upper Level Viaduct, Phase II
- Airport Bridges, Phases I and II

- Terminal Fire Protection System
- Power Distribution System (PDS) Duct Bank Replacement
- Cable Replacement
- Load Center Transformer Upgrade

B. Deferred Capital and Emerging Needs

The proposed 10-Year Capital Plan defers the following improvements proposed for Airport facilities. The fact that these projects are of a low-priority level is the main reason why these projects are unfunded and being deferred at this time.

- West Underpass Seismic Retrofit – a \$5 million project that will be reconsidered after FY2016.
- New FAA Control Tower (replacement) – a \$35 million project to be reconsidered no sooner than FY2013 and perhaps after FY2016.
- Multi-modal Transportation Center (Phase II) – a \$90 million project that will be deferred and reconsidered after FY2016.
- AirTrain Extension to Lot DD Garage – a \$94 million project that will be deferred indefinitely at this time.
- Terminal 1 (Boarding Area “B”) Reconstruction and Improvement – a \$300 million project that may be undertaken after FY2016

C. Airport Facilities Capital Program Funding Summary

Please see the attached summary spreadsheet on the next page.

NOTE: THE TABLE BELOW DOES NOT INCLUDE THE ROUTINE MAINTENANCE COSTS

Airport Facilities and Infrastructure (Excluding Maintenance)

Program/Project	FY2006/07 Cost Estimate	FY2007/08	FY2008/09	FY2009/10	FY2010/11	FY2012 - FY2016	PLAN TOTAL
Costs							
Renewal	2,800,000	3,500,000	3,605,000	3,713,150	3,824,545	20,600,602	38,043,297
Deferred Maintenance	4,472,500	3,351,500	3,046,500	3,086,850	2,175,455	5,631,905	21,764,710
	7,272,500	6,851,500	6,651,500	6,800,000	6,000,000	26,232,507	59,808,007
Capital Requirements by Cost Center							
Airfield	55,267,667	37,591,000	18,181,700	24,900,000	31,350,000	184,746,250	352,036,617
Terminals	46,553,822	63,418,136	79,990,000	63,566,000	69,815,000	43,743,750	367,086,708
Airport Support Area	34,372,000	25,888,000	6,680,000	6,550,000	3,400,000	33,562,500	110,452,500
Utilities	14,848,625	17,541,800	17,310,000	24,555,000	24,200,000	42,875,000	141,330,425
Groundside	11,458,000	10,949,800	20,640,000	12,500,000	9,400,000	39,959,050	104,906,850
	162,500,114	155,388,736	142,801,700	132,071,000	138,165,000	344,886,550	1,075,813,100
Total Operating/Capital	169,772,614	162,240,236	149,453,200	138,871,000	144,165,000	371,119,057	1,135,621,107
Revenues							
Operating Budget:							
Renewals	2,800,000	3,500,000	3,605,000	3,713,150	3,824,545	20,600,602	38,043,297
Funded Airport Capital Plan Appropriations:							
FY04/05 Five-Year Capital Plan ^{*1}	113,451,080	85,088,309	85,088,309	-	-	-	283,627,698
Amendments to FY04/05 Capital Plan ^{*2}	254,092	190,569	127,046	63,523	-	-	635,230
FY06/07 Five-Year Capital Plan ^{*3}	12,644,247	8,486,048	6,376,765	3,188,382	3,188,382	-	33,883,824
	126,349,419	93,764,926	91,592,120	3,251,905	3,188,382	-	318,146,752
Other Capital Funding Sources ^{*4}							
Operating Budget (including Renewal)	-	6,225,000	5,819,000	4,000,000	4,000,000	20,000,000	40,044,000
Existing Bond Proceeds/Interest Income	-	1,200,000	600,000	300,000	150,000	29,063	2,279,063
Oper. Fund Appropriation for Capital Proj.	-	3,914,000	4,031,420	4,152,363	4,276,933	23,388,025	39,762,741
Grant Funds	-	25,000,000	25,000,000	25,000,000	25,000,000	125,000,000	225,000,000
Passenger Facility Charges (capital uses)	-	6,500,000	7,000,000	7,500,000	8,000,000	47,500,000	76,500,000
	-	42,839,000	42,450,420	40,952,363	41,426,933	215,917,088	383,585,804
Total Revenues (Fund Sources)	129,149,419	140,103,926	137,647,540	47,917,418	48,439,860	236,517,690	739,775,853
Unfunded Capital (Shortfall):							
Deferred expenditures and/or debt	(40,623,195)	(22,136,310)	(11,805,660)	(90,953,582)	(95,725,140)	(134,601,367)	(395,845,254)

Note *1 - The approved appropriation for the FY05/06 Five-Year Capital Plan was \$612,841,537. Of this amount, \$329,213,839 was expended as of 2/14/06; the \$283,627,698 balance will be expended as planned in the above schedule.

Note *2 - The requested appropriation for the amendment to the FY05/06 Five-Year Capital Plan is \$16,342,714. Of this amount, \$15,707,484 represents reprogrammed funds and \$635,230 corresponds to new funds to be expended as planned in the above schedule.

Note *3 - The requested appropriation for the FY06/07 Five-Year Capital Plan was \$46,528,071. Of this amount, \$12,644,247 represents reprogrammed funds and \$33,883,824 corresponds to new funds to be expended as planned in the above schedule.

Note *4 - The amounts for FY06/07 are already reflected in this schedule, under "Funded Airport Capital Plan Appropriations" above.