

File No. 190482

Committee Item No. 2

Board Item No. \_\_\_\_\_

### COMMITTEE/BOARD OF SUPERVISORS

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Committee: Budget & Finance Sub-Committee Date \_\_\_\_\_

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- Introduction Form
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- Airport Commission Resolution
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- \_\_\_\_\_
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Completed by: Linda Wong Date \_\_\_\_\_

Completed by: Linda Wong Date \_\_\_\_\_

1 [Accept and Expend Grant - Federal Aviation Administration - Voluntary Airport Low  
2 Emissions Grant - \$6,750,000]

3 **Resolution authorizing the Airport Commission to accept and expend a grant for the**  
4 **Voluntary Airport Low Emissions Program under the Airport Improvement Program in**  
5 **the amount of \$6,750,000 and any additional amounts up to 15% of the original grant,**  
6 **that may be offered from the Federal Aviation Administration for the purchase and**  
7 **installation of electrical ground service equipment infrastructure and charging stations**  
8 **for the period of September 1, 2019, through March 31, 2021; and affirming the**  
9 **Planning Department’s determination under the California Environmental Quality Act.**

10  
11 WHEREAS, An airport improvement project to be implemented at San Francisco  
12 International Airport (the “Airport”) is eligible for federal assistance under the Federal Aviation  
13 Administration (“FAA”) Voluntary Airport Low Emissions (“VALE”) Program under the Airport  
14 Improvement Program (“AIP”); and

15 WHEREAS, The AIP provides for reimbursement by the FAA of up to 75% of the  
16 allowable VALE project costs; and

17 WHEREAS, The proposed VALE project is for electrical ground service equipment  
18 (eGSE) infrastructure and charging stations (the “Project”); and

19 WHEREAS, The Project is the first phase of an Airport-wide strategy to equip all gates  
20 with the electrical infrastructure necessary to operate eGSE, thereby reducing fuel use and  
21 diesel emissions; and

22 WHEREAS, The proposed electric charging ports and supporting electrical  
23 infrastructure improvements would be permanently located at the Airport; and

1           WHEREAS, The completion of the Project will result in significant emission reductions  
2 from the use of eGSE as a cleaner and more sustainable alternative to diesel-powered ground  
3 service equipment; and

4           WHEREAS, The Airport Director intends to file a grant application to seek federal  
5 assistance under the AIP during federal FY2018-2019 in an estimated amount of \$6,750,000  
6 for the Project; and

7           WHEREAS, The Airport Commission approved the acceptance and expenditure of the  
8 AIP VALE grant pursuant to Resolution No. 19-0085 dated April 16, 2019; and

9           WHEREAS, Under San Francisco Administrative Code, Section 10.170-1, the  
10 acceptance and expenditure of federal, state, or other grant funds in the amount of \$100,000  
11 or more is subject to the approval by resolution of the Board of Supervisors; and

12           WHEREAS, This agreement does not require an Annual Salary Ordinance  
13 amendment; and

14           WHEREAS, The Airport Commission proposes to maximize use of available grant  
15 funds on program expenditures by not including indirect costs in the grant budget; and

16           WHEREAS, The Planning Department has determined that the Project is Categorically  
17 Exempt from review under the California Environmental Quality Act (California Public  
18 Resources Code Sections 21000 et seq.) (CEQA), Section 15303 of the CEQA Guidelines,  
19 and Chapter 31 of the San Francisco Administrative Code (Planning Department File No.  
20 2019-003905ENV); said determination is on file with the Clerk of the Board of Supervisors in  
21 File No. 190482 and is incorporated herein by reference; now, therefore, be it

22           RESOLVED, That the Board of Supervisors affirms the determination by the Planning  
23 Department that the Project is categorically exempt from review under CEQA; and, be it

1 FURTHER RESOLVED, That the Airport Commission is hereby authorized to accept  
2 and expend a grant in the amount of \$6,750,000 and any additional amounts up to 15% of the  
3 original grant amount, that may be offered from the FAA; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of  
5 indirect costs in the grant budget; and, be it

6 FURTHER RESOLVED, That the Airport Commission is hereby authorized to accept  
7 and expend the grant funds pursuant to Administrative Code, Section 10.170-1; and, be it

8 FURTHER RESOLVED, That the Airport Director is authorized to enter into the AIP  
9 VALE grant agreement with the FAA on behalf of the City.

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Recommended:

  
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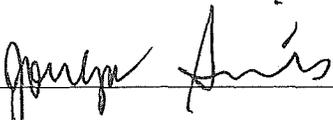
Department Head

Approved:

  
\_\_\_\_\_

for Mayor

Approved:

  
\_\_\_\_\_

for Controller

<b>Items 2 and 3</b> <b>Files 19-0482 and 19-0483</b>	<b>Department:</b> San Francisco International Airport (Airport)
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### EXECUTIVE SUMMARY

#### Legislative Objectives

File 19-0482: Resolution authorizing the Airport Commission to (1) accept and expend a grant for the Voluntary Airport Low Emissions Program under the Airport Improvement Program in the amount of \$5,026,871 and any additional amounts up to 15% of the original grant, that may be offered from the Federal Aviation Administration for the purchase and installation of electrical ground service equipment infrastructure and charging stations for the period of September 1, 2019, through March 31, 2021; (2) commit to providing \$1,675,624 in matching funds; and (3) affirm the Planning Department's determination under the California Environmental Quality Act. The resolution should be amended to correctly state that the grant amount is \$5,026,871, rather than \$6,750,000 as written in the resolution.

File 19-0483: Resolution authorizing the Airport Commission to (1) accept and expend a grant in the amount of \$15,600,000 and any additional amounts up to 15 percent of the original grant, that may be offered from the Federal Aviation Administration for the continuation and expansion of the Noise Insulation Program for the period from October 1, 2018 through September 30, 2023; and (2) commit to providing \$3,906,709 in matching funds. The Airport Commission approved acceptance of the proposed grant in April 2019. Although the grant period began at the beginning of the federal fiscal year on October 1, 2018, according to the Airport, the actual grant start date is anticipated in approximately September 2019.

#### Key Points

- In 2004, the Federal Aviation Administration (FAA) created the Voluntary Airport Low Emissions (VALE) Program under the Airport Improvement Program (AIP). The purpose of the grant program is to encourage airport implementation of clean technology projects that improve air quality. The VALE Program helps airports meet their state-related air quality responsibilities under the Clean Air Act. (File 19-0482)
- In October 2017, the Airport Commission approved the implementation of the Replacement and Second Chance Initiative, which provides for the replacement of failed noise insulation of properties, and the acoustic treatment of properties not previously insulated because owners did not participate in the Noise Insulation Program in previous phases. (File 19-0483)

#### Recommendations

- Amend File 19-0482 to correctly state that the grant amount is \$5,026,871.
- Approve the proposed resolution as amended (File 19-0482).
- Approve the proposed resolution (File 19-0483).

**MANDATE STATEMENT**

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

**BACKGROUND****Voluntary Airport Low Emission Program Grant (19-0482)**

In 2004, the Federal Aviation Administration (FAA) created the Voluntary Airport Low Emissions (VALE) Program under the Airport Improvement Program (AIP)<sup>1</sup>. The purpose of the grant program is to encourage airport implementation of clean technology projects that improve air quality. The VALE Program helps airports meet their state-related air quality responsibilities under the Clean Air Act<sup>2</sup>. The AIP VALE Program provides for reimbursement by the FAA of up to 75 percent of the allowable VALE project costs.

The San Francisco International Airport (Airport) applies for AIP VALE grants when there are AIP VALE eligible projects planned for the applicable federal fiscal year<sup>3</sup>. The Airport's proposed VALE project is for electrical ground service equipment (eGSE)<sup>4</sup> infrastructure and charging stations. The project is the first phase of an Airport-wide strategy to equip all gates with the electrical infrastructure necessary to operate eGSE in order to reduce fuel use and diesel emissions.

**Noise Insulation Program Grant (19-0483)**

In October 2017, the Airport Commission approved the implementation of the Replacement and Second Chance Initiative, which provides for the replacement of failed noise insulation of properties, and the acoustic treatment of properties not previously insulated because owners did not participate in the Noise Insulation Program in previous phases. In July 2018, the Airport Commission authorized the acceptance and expenditure of Federal Fiscal Year 2018 FAA grant funds for the continuation and expansion of the Airport's Noise Insulation Program in the amount of \$20,000,000, which was later modified to \$15,600,000 to reflect a more realistic estimate of the funds that can be expended during the four-year period of the grant. Subsequent phases of the program will be planned with future grants.

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<sup>1</sup> The Airport Improvement Program (AIP) provides grants to public agencies — and, in some cases, to private owners and entities — for the planning and development of public-use airports that are included in the National Plan of Integrated Airport Systems (NPIAS).

<sup>2</sup> The Clean Air Act, codified at 42 United States Code, § 7401 et seq, is a comprehensive federal response to address air pollution.

<sup>3</sup> Federal fiscal year begins on October 1 and ends on September 30.

<sup>4</sup> Ground Service Equipment includes service vehicles that provide service to the aircraft between flights. These service vehicles provide a support function to the operations of aircraft when parked at the terminal gates of an airport. These vehicles provide for services such as cargo and baggage loading/unloading, pushback for aircrafts, tugs, food and beverage catering, potable water, aircraft refueling, lavatory waste tank drainage, engine/fuselage examination and maintenance, etc.

Under the Noise Insulation Program, properties are considered if they are located within the minimum thresholds (defined as 65 decibels Community Noise Equivalent Level) on the Noise Exposure Map or are part of contiguous neighborhoods partially within certain areas around the Airport. The Airport has identified approximately 300 potential properties that could be eligible for noise insulation work. For planning purposes, the Airport is assuming approximately 150 to 180 of these 300 properties will actually be insulated through 2023<sup>5</sup>.

#### DETAILS OF PROPOSED LEGISLATION

The proposed resolutions would authorize the Airport to accept and expend the following grants:

File 19-0482: Resolution authorizing the Airport Commission to (1) accept and expend a grant for the Voluntary Airport Low Emissions Program under the Airport Improvement Program in the amount of \$5,026,871 and any additional amounts up to 15% of the original grant, that may be offered from the Federal Aviation Administration for the purchase and installation of electrical ground service equipment infrastructure and charging stations for the period of September 1, 2019, through March 31, 2021; (2) commit to providing \$1,675,624 in matching funds; and (3) affirm the Planning Department's determination under the California Environmental Quality Act. The resolution should be amended to correctly state that the grant amount is \$5,026,871, rather than \$6,750,000 as written in the resolution.

The total VALE project budget of \$6,702,495 (\$5,026,871 in FAA funds, \$1,675,624 in required local matching funds) will be used to purchase and install 125 eGSE charging ports with supporting electrical infrastructure in Boarding Areas D (Terminal 2) and G (International Terminal). These eGSE ports will enable Phase I of the Airport's Ground Service Equipment electrification strategy, which aims to equip all gates with the electrical infrastructure necessary to operate eGSE to reduce fuel and diesel emissions.

The FAA's AIP grant program requires participating airports to provide a local match. The federal share of project costs on an AIP grant varies by airport size and is generally 75 percent for large hub airports. Since the San Francisco International Airport is a large hub airport, the federal share is up to 75 percent, and the Airport will need to provide a local match of 25 percent.

File 19-0483: Resolution authorizing the Airport Commission to (1) accept and expend a grant in the amount of \$15,600,000 and any additional amounts up to 15 percent of the original grant, that may be offered from the Federal Aviation Administration for the continuation and expansion of the Noise Insulation Program for the period from October 1, 2018 through September 30, 2023; and (2) commit to providing \$3,906,709 in matching funds.

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<sup>5</sup> According to the Airport, between the early 1980s and early 2000s, more than 15,200 properties were insulated under the Noise Insulation Program. In the most recent phases (between 2008 and 2016), the Noise Insulation Program has included insulation of 58 properties. The current phase (to be completed in the fall of 2019) will involve insulation of nine properties.

The Airport Commission approved acceptance of the proposed grant in April 2019. Although the grant period began at the beginning of the federal fiscal year on October 1, 2018, according to the Airport, the actual grant start date is anticipated in approximately September 2019.

The purpose of the grant is to provide funding to support the Airport's Noise Insulation Program, which provides sound insulation to properties located within certain areas around the Airport to reduce the interior noise levels caused by aircraft activity. The properties will be considered for the program if located inside the current 65-decibel Noise Exposure Map (NEM) developed by the Airport and accepted by the FAA, or are part of contiguous neighborhoods adjacent to the NEM. According to the Airport, as of May 2019, it is estimated that about 150-180 properties will be included in the 2019-2023 Phase of the Noise Insulation. These properties are in San Bruno, South San Francisco, and Daly City. Owners of the uninsulated properties will have their properties acoustically treated, reducing the interior noise level by 5 decibels or more. The Airport states that it is expected that this phase of the program will benefit approximately 450-540 people.

The FAA's AIP grant program requires participating airports to provide a local match. The federal share of project costs on an AIP environmental/noise grant is 80 percent. Therefore, the Airport will need to provide a local match of 20 percent.

## **FISCAL IMPACT**

### **Voluntary Airport Low Emissions Program Grant (19-0482)**

The total budget for the VALE project is approximately \$6,702,495. The FAA grant will fund \$5,026,871, and the Airport will fund \$1,675,624 of the total project costs. The source of the local matching funds is General Airport Revenue Bonds. Table 1 below summarizes grant funding for the VALE project.

**Table 1. VALE Project Grant Budget**

	FAA Grant Funds (75%)	Airport/Local Match Funds (25%)	Total Project Cost
Engineering (design and construction of the project)	\$300,000	\$100,000	\$400,000
Project Management (planning, executing, controlling of the project teams, schedule, and budget)	\$150,000	\$50,000	\$200,000
Construction Services (support for project planning, procurement, inspection, safety, quality control, document control, payment).	\$300,000	\$100,000	\$400,000
Airfield Operations (Airfield safety officers to escort construction crew, inspectors, etc. onto the airfield operations area where access is limited and controlled)	\$112,500	\$37,500	\$150,000
San Francisco Police Department (police stationed at the airfield checkpoints)	\$37,500	\$12,500	\$50,000
Specialized Services (support for independent cost estimate)	\$37,500	\$12,500	\$50,000
Reprographics (support for documentation needs)	\$1,500	\$500	\$2,000
Construction Contract (contract for electrical infrastructure, eGSE charging stations and cloud software)	\$3,716,246	\$1,238,749	\$4,954,995
10% Contingency (allowances for unknown risks associated with a project)	\$371,625	\$123,875	\$495,500
<b>Total Cost</b>	<b>\$5,026,871</b>	<b>\$1,675,624</b>	<b>\$6,702,495</b>

According to the Airport, approximately \$176,530 has been expended towards the project on internal design and project management costs. No grant funds have been encumbered or expended. If the grant is approved by the Board of Supervisors and awarded, eligible internal design and project management support services costs incurred after the grant award may be submitted to the FAA for reimbursement. The Airport does not anticipate incurring any ongoing costs once the project is complete and grant funds expire.

**Noise Insulation Program Grant (19-0483)**

The total budget for the Noise Insulation Program grant project is \$19,506,709. The FAA grant will fund \$15,600,000, and the Airport will fund \$3,906,709 of the total project costs. The source of the local matching funds is General Airport Revenue Bonds. Table 2 below summarizes grant funding for the Noise Insulation Program project.

**Table 2. Noise Insulation Program Grant Budget**

Category	FAA Grant Funds (80%)	Airport/Local Match Funds (20%)	Total Project Cost
Project Start-Up	\$472,852	\$118,214	\$591,066
Homeowner Selection Process	\$534,100	\$133,526	\$667,626
Pre-Design Process	\$590,109	\$147,528	\$737,637
Plans and Specifications	\$459,215	\$114,804	\$574,019
Bid, Award, and Contractor Selection	\$43,659	\$10,915	\$54,574
Pre-Construction Process	\$188,977	\$47,245	\$236,222
Construction Process	\$1,159,237	\$289,810	\$1,449,047
Project Completion	\$354,204	\$88,552	\$442,756
General Project Tasks	\$809,152	\$202,288	\$1,011,440
Scheduling	\$195,888	\$48,972	\$244,860
Reimbursable Expenses	\$689,969	\$172,493	\$862,462
<i>Subtotal Consulting Services</i>	<i>\$5,497,362</i>	<i>\$1,374,347</i>	<i>\$6,871,709</i>
Construction Cost (\$65,000 x 180 units)	\$9,360,000	\$2,340,000	\$11,700,000
Architectural/Engineering Fees (SFO internal labor)	\$742,638	\$192,362	\$935,000
<b>Total Project Budget</b>	<b>\$15,600,000</b>	<b>\$3,906,709</b>	<b>\$19,506,709</b>

According to the Airport, the Noise Insulation Program grant funds will be used to provide for the noise insulation of properties to minimize the impact of aircraft noise in neighboring communities. The scope of work includes outreach and analysis to confirm each property's eligibility, acoustical testing, and design and construction of noise insulation improvements.

According to the Airport, approximately \$5,000 - \$10,000 of necessary preliminary work has been expended towards the project on planning costs. No grant funds have been encumbered or expended. If the grant is approved by the Board of Supervisors and awarded, eligible planning costs incurred after the grant award may be submitted to the FAA for reimbursement. The Airport does not anticipate incurring any ongoing costs once the project is complete and grant funds expire.

**RECOMMENDATIONS**

- Amend File 19-0482 to correctly state that the grant amount is \$5,026,871.
- Approve the proposed resolution as amended (File 19-0482).
- Approve the proposed resolution (File 19-0483).

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

May 20, 2019

File No. 190482

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Dear Ms. Gibson:

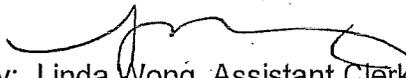
On April 30, 2019, the Airport Commission submitted the following proposed legislation to the Board of Supervisors:

**File No. 190482**

**Resolution authorizing the Airport Commission to accept and expend a grant for the Voluntary Airport Low Emissions Program under the Airport Improvement Program in the amount of \$6,750,000 and any additional amounts up to 15% of the original grant, that may be offered from the Federal Aviation Administration for the purchase and installation of electrical ground service equipment infrastructure and charging stations for the period of September 1, 2019, through March 31, 2021; and affirming the Planning Department's determination under the California Environmental Quality Act.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

  
By: Linda Wong, Assistant Clerk  
Budget and Finance Sub-Committee

Attachment

c: Joy Navarrete, Environmental Planner  
Laura Lynch, Environmental Planner

Not defined as a project under CEQA Guidelines Sections 15378 and 15060(c)(2) because it would not result in a direct or indirect physical change in the environment.

joy navarrete

Digitally signed by Joy Navarrete  
DN: dc=org, dc=sfgov, dc=cityplanning,  
ou=CityPlanning, ou=Environmental  
Planning, cn=joy navarrete,  
email=joy.navarrete@sfgov.org  
Date: 2019.05.30 10:15:20 -0700

File Number: \_\_\_\_\_

(Provided by Clerk of Board of Supervisors)

**Grant Resolution Information Form**

(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: **Airport Improvement Program (AIP) Voluntary Airport Low Emissions Program (VALE) Grant**

2. Department: **Airport**

3. Contact Person: **Tina Ko** Telephone: **(650) 821-2826**

4. Grant Approval Status (check one):

Approved by funding agency

Not yet approved

5. Amount of Grant Funding Approved or Applied for: **\$6,750,000**

6. a. Matching Funds Required: **\$2,250,000**

b. Source(s) of matching funds (if applicable): **General Airport Revenue Bonds**

7. a. Grant Source Agency: **Federal Aviation Administration**

b. Grant Pass-Through Agency (if applicable): **n/a**

8. Proposed Grant Project Summary: **The requested AIP VALE grant funds will provide for the purchase and installation of 125 ground service equipment (GSE) electric charging ports together with supporting electrical infrastructure at San Francisco International Airport. The completion of the proposed project will result in significant emission reductions from the use of electrical GSE as a cleaner and more sustainable alternative to diesel-powered GSE.**

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

Start-Date: **September 2019**

End-Date: **March 2021**

10. a. Amount budgeted for contractual services: **\$9,000,000**

b. Will contractual services be put out to bid? **Yes.**

c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? **N/A.**

d. Is this likely to be a one-time or ongoing request for contracting out? **One-time.**

11. a. Does the budget include indirect costs?

Yes  No

b. 1. If yes, how much? \$

b. 2. How was the amount calculated?

c. 1. If no, why are indirect costs not included?

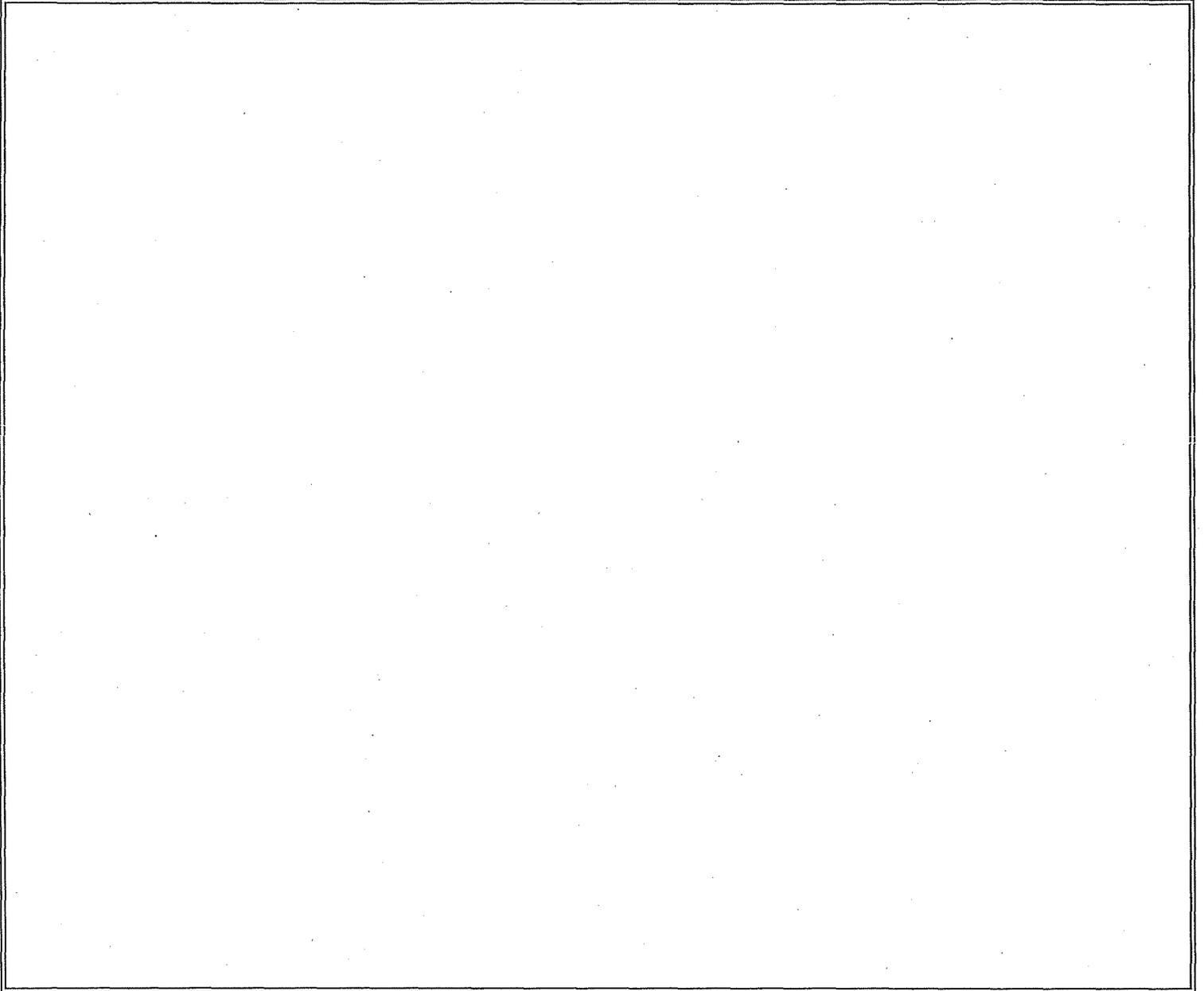
Not allowed by granting agency

To maximize use of grant funds on direct services

Other (please explain):

c. 2. If no indirect costs are included, what would have been the indirect costs? **N/A.**

12. Any other significant grant requirements or comments: **N/A.**



**\*\*Disability Access Checklist\*\*\*(Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

- |                                                      |                                                           |                                                            |
|------------------------------------------------------|-----------------------------------------------------------|------------------------------------------------------------|
| <input checked="" type="checkbox"/> Existing Site(s) | <input checked="" type="checkbox"/> Existing Structure(s) | <input type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s)       | <input type="checkbox"/> Rehabilitated Structure(s)       | <input type="checkbox"/> New Program(s) or Service(s)      |
| <input type="checkbox"/> New Site(s)                 | <input type="checkbox"/> New Structure(s)                 |                                                            |

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Susan Kim  
(Name)

Diversity, Equity, and Inclusion Manager and Title VI/Sec 504 Coordinator  
(Title)

Date Reviewed: 4/15/19

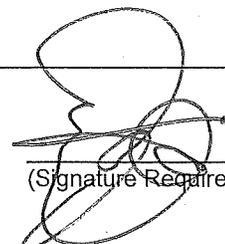
  
(Signature Required)

Department Head or Designee Approval of Grant Information Form:

Ivar C. Satero  
(Name)

Airport Director  
(Title)

Date Reviewed: 4/19/19

  
(Signature Required)

**Federal Aviation Administration**  
**Airport Improvement Program**  
**Voluntary Airport Low Emissions Program Grant Application**  
**Electric Ground Service Equipment Infrastructure and Charging Stations at San Francisco**  
**International Airport**  
 Grant Budget Summary (current estimates)

<b>Project Site</b>	<b>Total Project Cost</b>	<b>FAA Share 75%</b>	<b>Airport Share</b>
Terminal 2, Boarding Area D	\$ 2,700,000	\$ 2,025,000	\$ 675,000
International Terminal, Boarding Area G	\$ 6,300,000	\$ 4,725,000	\$ 1,575,000
<b>Total</b>	<b>\$ 9,000,000</b>	<b>\$ 6,750,000</b>	<b>\$ 2,250,000</b>

AIRPORT COMMISSION  
CITY AND COUNTY OF SAN FRANCISCO  
RESOLUTION NO. 19-0085

**DETERMINATION TO PROCEED WITH THE ELECTRIC GROUND SERVICE EQUIPMENT INFRASTRUCTURE AND CHARGING STATIONS PROJECT AND AUTHORIZATION TO ACCEPT AND EXPEND FEDERAL AVIATION ADMINISTRATION GRANT FUNDS FOR A VOLUNTARY AIRPORT LOW EMISSIONS PROJECT, IN THE AMOUNT OF \$6,800,000 PLUS ADDITIONAL AMOUNTS UP TO 15% OF THE ORIGINAL GRANT AMOUNT THAT MAY BE OFFERED**

- WHEREAS, an airport improvement project to be implemented at San Francisco International Airport (Airport) is eligible for federal assistance under the Federal Aviation Administration (FAA) Voluntary Airport Low Emissions (VALE) Program under the Airport Improvement Program (AIP); and
- WHEREAS, the AIP provides for reimbursement of up to 75% of the allowable VALE project costs; and
- WHEREAS, the proposed VALE project is for Electrical Ground Service Equipment (eGSE) Infrastructure and Charging Stations; and
- WHEREAS, the proposed project is Phase 1 of an Airport-wide Ground Service Equipment (GSE) electrification strategy to equip all gates with the electrical infrastructure necessary to operate electric Ground Service Equipment (eGSE), thereby reducing fuel use and diesel emissions; and
- WHEREAS, the proposed electric charging ports and supporting electrical infrastructure improvements would be permanently located at the Airport; and
- WHEREAS, the completion of the proposed project will result in significant emission reductions from the use of eGSE as a cleaner and more sustainable alternative to diesel-powered GSE; and
- WHEREAS, the Airport Director intends to file a grant application to seek federal assistance under the AIP, in an estimated amount of \$6,800,000, for the proposed project; and
- WHEREAS approval of the San Francisco Board of Supervisors is required to accept and expend grants of this type in the amount of \$100,000 or more, and the Airport has not yet received this approval; and
- WHEREAS, the San Francisco Planning Department, Environmental Planning Division, has determined that the Electric Ground Service Equipment Infrastructure and Charging Stations project is Categorically Exempt from review under the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000, *et seq.*), Section 15303 of the CEQA Guidelines, and Chapter 31 of the San Francisco Administrative Code (Planning Department File No. 2019-003905ENV); now, therefore, be it
- RESOLVED, that the Commission hereby affirms and incorporates, by reference, the Planning Department's determination that the Electric Ground Service Equipment Infrastructure and Charging Stations project is Categorically Exempt from review under CEQA; and, be it further

AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 19-0085

- RESOLVED, that the above recitals are true and correct; and, be it further
- RESOLVED, that the Commission hereby determines to proceed with the Electric Ground Service Equipment Infrastructure and Charging Stations project; and, be it further
- RESOLVED, that, upon receipt by the Airport of an AIP Grant Offer from the FAA for the Electrical Ground Service Equipment Infrastructure and Charging Stations project, the Airport Commission authorizes the Airport Director to accept and expend the grant funds in an amount estimated to be \$6,800,000 and any additional amounts up to 15% of the original grant amount that may be offered, during FFY 2019, or such later FFY, as determined by the Director based on the project implementation schedule, and to execute the related grant agreement; and, be it further
- RESOLVED, that the Commission Secretary, for and on behalf of and in the name of the Airport Commission, is authorized and directed to seek the approval of the San Francisco Board of Supervisors to accept and expend the grant funds under Section 10.170-1 of the San Francisco Administrative Code.

Page 2 of 2

*I hereby certify that the foregoing resolution was adopted by the Airport Commission*  
*at its meeting of* APR 16 2019

  
Secretary



San Francisco International Airport

**MEMORANDUM**

April 16, 2019

TO: AIRPORT COMMISSION  
Hon. Larry Mazzola, President  
Hon. Linda S. Crayton, Vice President  
Hon. Eleanor Johns  
Hon. Richard J. Guggenlime  
Hon. Malcolm Yeung

19-0085

19-0086

APR 16 2019

FROM: Airport Director

SUBJECT: Determination to Proceed with Two Voluntary Airport Low Emissions Projects, and Authorization to Accept and Expend Federal Aviation Administration Grant Funds in the Amount of \$8,800,000 for These Projects

DIRECTOR'S RECOMMENDATION: DETERMINE TO PROCEED WITH TWO VOLUNTARY AIRPORT LOW EMISSIONS PROJECTS; AUTHORIZE ACCEPTANCE AND EXPENDITURE OF FEDERAL AVIATION ADMINISTRATION GRANT FUNDS IN THE AMOUNT OF \$8,800,000 FOR THESE PROJECTS, PLUS ADDITIONAL AMOUNTS UP TO 15% OF EACH ORIGINAL GRANT AMOUNT THAT MAY BE OFFERED.

**Executive Summary**

In Federal Fiscal Year (FFY) 2019, San Francisco International Airport (Airport) anticipates receiving Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant funds for certain eligible projects. The two proposed Resolutions authorize acceptance and expenditure of \$8,800,000 for two Voluntary Airport Low Emissions (VALE) projects, plus any additional amounts offered by the FAA not to exceed 15% of each original grant amount.

**Background**

The AIP reimburses up to 75% of eligible VALE project costs. For FFY 2019, the Airport anticipates receiving two AIP VALE grant offers totaling approximately \$8,800,000 for the following proposed projects:

Projects	Anticipated Grant Offer
Electrical Ground Service Equipment (eGSE) Infrastructure and Charging Stations	\$6,800,000
Boarding Area G 400Hz System Infrastructure Upgrade	\$2,000,000
<b>Total VALE Grants Expected</b>	<b>\$8,800,000</b>

VALE project descriptions can be found in Appendix A.

The attached Resolutions authorize acceptance and expenditure of grant funds for the VALE projects during FFY 2019, or a later FFY, as determined by the Director based on the project implementation schedule.

THIS PRINT COVERS CALENDAR ITEM NO. 4

AIRPORT COMMISSION CITY AND COUNTY OF SAN FRANCISCO

LONDON N. BREED MAYOR    LARRY MAZZOLA PRESIDENT    LINDA S. CRAYTON VICE PRESIDENT    ELEANOR JOHNS    RICHARD J. GUGGENHIME    MALCOLM YEUNG    IVAR C. SATERO AIRPORT DIRECTOR

**Additional Authorizations**

If the attached Resolution for the eGSE Infrastructure and Charging Stations project is approved by the Commission and offered grant funding by the FAA, the Airport will seek the approval of the San Francisco Board of Supervisors (Board) to accept and expend the grant. Board approval is required for grants exceeding \$100,000 under Section 10.170-1 of the San Francisco Administrative Code.

The grant for the Boarding Area G 400Hz System Infrastructure Upgrade project received Board approval through the City and County of San Francisco's Annual Budget and Appropriation Ordinance for Fiscal Years 2018/19 and 2019/20. Therefore, no additional Board approval is required to accept and expend grants for this project.

**Environmental Reviews**

The Planning Department has determined that the eGSE Infrastructure and Charging Stations project is categorically exempt from review under the California Environmental Quality Act (CEQA) (Public Resources Code Section 21000, *et seq.*) and Section 15303 of the CEQA Guidelines as a Class 3 exemption, which applies to new construction or conversion of structures. This exemption determination is available on the Planning Department's website in Planning Department File No. 2019-003905ENV. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code.

The Planning Department has determined that the Boarding Area G 400 Hz System Infrastructure Upgrade project is categorically exempt from review under CEQA and Section 15301 of the CEQA Guidelines as a Class 1 exemption, which applies to existing facilities. This exemption determination is available on the Planning Department's website in Planning Department File No. 2019-003899ENV. This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code.

**Recommendation**

I recommend the Commission adopt the attached two Resolutions determining to proceed with the two VALE projects and authorizing the acceptance and expenditure of FAA AIP grant funds for approximately (1) \$6,800,000 for the eGSE Infrastructure and Charging Stations VALE project; and (2) \$2,000,000 for the Boarding Area G 400Hz System Infrastructure Upgrade VALE project; and any additional amounts up to 15% of each original grant amount that may be offered. Staff will return to the Commission if any of the resulting grant offers exceed 15% of the original grant amount. I further recommend the Commission authorize the Commission Secretary to seek approval from the Board to accept and expend the grant for the eGSE Infrastructure and Charging Stations project.



Ivar C. Satero  
Airport Director

Prepared by: Leo Fermin  
Chief Business and Finance Officer

Attachments

## Appendix A

### Project Descriptions

#### **Electrical Ground Service Equipment (eGSE) Infrastructure and Charging Stations**

The VALE grant funding will be used to purchase and install 125 eGSE charging ports with supporting electrical infrastructure in Boarding Areas D (domestic terminal) and G (international terminal). These eGSE ports will enable Phase 1 of the Airport's Ground Service Equipment electrification strategy. The objective of this strategy is to equip all gates with the electrical infrastructure necessary to operate eGSE to reduce fuel and diesel emissions.

#### **Boarding Area G 400Hz System Infrastructure Upgrade**

This project will install four Motor-Generator (MG) sets and supporting electrical infrastructure at Boarding Area G (international terminal), which will enable aircraft using the boarding area to use electric power instead of jet-fueled auxiliary power units. The Airport's existing MG sets are undersized and unable to fully support the electrical load requirements of larger aircraft. These new sets will upgrade the Airport's existing power capacity and reduce emissions.

## VALE Grant Pre-Application

**Project Title:** Electric Ground Service Equipment (eGSE) Infrastructure and Charging Stations

**Airport Code:** SFO

**Airport Name:** San Francisco International Airport

**Sponsor Name:** City and County of San Francisco

**Airport Contact:** Ronda Chu  
San Francisco International Airport  
P.O. Box 8097  
San Francisco, CA 94128  
[ronda.chu@flysfo.com](mailto:ronda.chu@flysfo.com)  
650-821-2823

## Introduction

This Pre-application is being submitted by the City and County of San Francisco (the City) to notify the Federal Aviation Administration (FAA) that the City will be requesting Voluntary Airport Low Emissions (VALE) Program funding in fiscal year (FY) 2019. The City would use this funding for the purchase and installation of 125 ground service equipment (GSE) electric charging ports together with supporting electrical infrastructure (collectively the Project) at San Francisco International Airport (the Airport). The Project would be Phase 1 of the City's Airport-wide GSE electrification strategy to promote the use of electric GSE (eGSE) at the Airport.

In FY 2017, the Airport experienced a 5% increase in passenger traffic from the previous year, representing a record number of over 55 million passengers. To accommodate the increase in passenger traffic and to improve the guest experience at the Airport, the City has completed a renovation of Terminal 2 and recently embarked on a \$2.4 billion Terminal 1 redevelopment project. As a committed member of the airport environmental community, the City plans to integrate low-emissions technology throughout the Airport's capital improvement program by promoting the use of eGSE at all terminal gates.

In early 2012, the FAA established a goal to "*achieve an absolute reduction of significant air quality health and welfare impacts attributable to aviation, notwithstanding aviation growth.*" This environmental goal is a core component of realizing FAA's objective of a Next Generation Air Transportation System (NextGen). This goal also creates an imperative to implement projects that reduce emissions and promote sustainability. As owner and operator of the Airport, the City is seeking a VALE Program grant to initiate Phase 1 of an Airport-wide GSE electrification strategy. The City's long-term goal is to provide electric charging infrastructure to all gates at the Airport and to encourage the use of eGSE instead of diesel-powered GSE, resulting in lower diesel emissions in the surrounding area.

## Project Description

The proposed electric charging ports and supporting electrical infrastructure improvements would be permanently located at boarding areas D (domestic) and G (international) at the Airport. Boarding area D is comprised of 14 gates and boarding area G has 12 gates. The recharging equipment would be available to any tenants that express interest. The locations of the charging ports and supporting infrastructure will be more precisely defined during the development of the VALE Program application.

The electric charging ports and supporting infrastructure would be Phase 1 of an Airport-wide GSE electrification strategy to allow for all gates to be equipped with the electrical infrastructure necessary to operate eGSE, thereby reducing fuel use and associated diesel emissions. The VALE Program Technical Report 7.0 (VTR 7.0) provides guidance for airport sponsors seeking VALE Program funding. All aspects of the VTR have been considered during the development of this Pre-application. Charging ports are powered by electricity, which is consistent with the VTR's declaration that electric-powered equipment have "zero-emissions."

The Project is eligible for 75% Airport Improvement Program (AIP) and VALE Program funding because the Airport is a large hub located in an area designated by the United States Environmental Protection Agency's National Ambient Air Quality Standards as marginal nonattainment for ozone, precursors of which are oxides of nitrogen (NO<sub>x</sub>) and volatile organic compounds (VOC), maintenance for carbon monoxide (CO) and moderate nonattainment for particulate matter with an aerodynamic diameter less than or equal to 2.5 microns (PM<sub>2.5</sub>).

## Cost Estimates

The Project is estimated to cost approximately \$9,000,000 based on conceptual engineering estimates. With 75% funding, the City anticipates requesting a grant of approximately \$6,750,000. Cost estimates will be revised with Project-specific estimates during development of the VALE Program application and will be replaced with bids for the final application submittal. Table 1 summarizes preliminary funding estimates for the Project.

**TABLE 1**  
**PRELIMINARY PROJECT FUNDING SUMMARY**  
*San Francisco International Airport*

Item	Total VALE Eligible Cost
Conceptual Project Estimate	\$9,000,000
Request Funding Amount (a)	\$6,750,000
Local Match Funding Amounts	\$2,250,000

*a) Reflects a 75% federal cost share of total estimated VALE eligible costs.*

Source: Airport Commission of the City and County of San Francisco, 2018

## Emission Reduction and Cost Effectiveness Estimates

The City anticipates that the 125 electric charging ports will support 166 eGSE at the Airport. Based on the City's internal planning documents, it is expected that eight eGSE would be available to serve the aircraft at each gate of boarding area G and five eGSE would be available to serve the aircraft at each gate of boarding area D. To serve aircraft at boarding area G, the City plans to have the following eGSE types at each of the 12 gates: one belt loader, four baggage tractors, one aircraft tractor, and two cargo loaders. To service aircraft at boarding area D, the City plans to have the following eGSE type at each of the 14 gates: two belt loaders, two baggage tractors, and one aircraft tractor. Table 2 details the number and type of eGSE that will use the 125 electric charging ports.

**TABLE 2**  
**eGSE ALLOCATION BY BOARDING AREA**  
*San Francisco International Airport*

GSE Type	Number of Gates	GSE per gate	Total GSE
<b>Boarding Area G</b>			
Belt Loader	12	1	12
Baggage Tractor	12	4	48
Aircraft Tractor	12	1	12
Cargo Loader	12	2	<u>24</u>
		<i>SubTotal</i>	96
<b>Boarding Area D</b>			
Belt Loader	14	2	28
Baggage Tractor	14	2	28
Aircraft Tractor	14	1	<u>14</u>
		<i>SubTotal</i>	70
		<b>Grand Total</b>	<b>166</b>

*Note: eGSE composition for gates at boarding areas G and D are obtained from the City planning document titled "AIRPORT WIDE GSE ELECTRICAL INFRASTRUCTURE AND EQUIPMENT" published on June 8, 2016.*

Source: The City and County of San Francisco, 2018

Emissions reduction estimates compare a Baseline Scenario to a Low-Emissions Scenario. The difference of the two scenarios represents an estimation of the Project's emission reductions. The Baseline Scenario reflects the amount of pollutants emitted while using 166 diesel-powered GSE at boarding areas D and G. The Low-Emissions Scenario reflects the use of 166 eGSE. It is expected that the diesel-powered GSE would be replaced with electric counterparts for the following GSE type: 26 aircraft tractors, 40 belt loaders, 24 cargo loaders, and 76 baggage tractors. In the Low-Emissions Scenario, it is expected that the Project components will not generate any emissions as they are electrically-powered and have "zero emissions" according to the VTR 7.0. The emission reductions were estimated using a preliminary methodology that will be revised using more precise inputs upon development of the VALE Program application.

The preliminary emissions reduction estimates and cost effectiveness values were calculated over the useful life of each piece of equipment in the Project. The useful life of belt loaders and cargo loaders is

11 years. The useful life for baggage tractors and aircraft tractors is 13 and 14 years, respectively. Total emission reductions associated with the Project are summarized in Table 3.

**TABLE 3**  
**PRELIMINARY EMISSION REDUCTIONS AND COST EFFECTIVENESS VALUES**  
*San Francisco International Airport*

<b>Emission Reductions (tons)</b>						
NO <sub>x</sub>	VOC	NO <sub>x</sub> +VOC	CO	SO <sub>x</sub>	PM <sub>10</sub>	PM <sub>2.5</sub>
358.12	23.41	381.53	449.84	0.36	2.14	2.08
<b>Cost Effectiveness (\$ per ton)</b>						
NO <sub>x</sub>	VOC	NO <sub>x</sub> +VOC	CO	SO <sub>x</sub>	PM <sub>10</sub>	PM <sub>2.5</sub>
\$25,000	\$384,000	\$24,000	\$20,000	\$24,969,000	\$4,202,000	\$4,332,000

*Note: Emission reductions and cost effectiveness values are calculated over the expected useful life of the eGSE and are based on conceptual cost estimates. Cost effectiveness values are rounded to the nearest one thousand.*

Source: Haley & Aldrich, Inc., 2018

## Next Steps

The proposed Project represents Phase 1 of a multi-phase Airport-wide GSE electrification initiative for use at every terminal gate at the Airport. To ensure the long-term success of the City's eGSE initiative, it intends to apply for VALE Program funding, on an annual basis, over the next several years to support the purchase and installation of electric charging stations. Accordingly, securing VALE Program funding for Phase 1 is an essential step towards providing charging stations at every gate of the Airport and fulfilling the long-term goals of the City.

For FY 2019 VALE Program funding, the City will move forward in preparing a draft VALE Program application for review by the Bay Area Air Quality Management District (BAAQMD) that will include final emissions estimates and engineer's cost estimates. In addition, the City intends to prepare a final VALE Program application for submittal to the FAA that will include actual bids for Phase 1. The City will continue to pursue VALE Program funding for the Project unless otherwise formally notified by the FAA.

BOARD of SUPERVISORS



City Hall  
Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

May 20, 2019

**File No. 190482**

Lisa Gibson  
Environmental Review Officer  
Planning Department  
1650 Mission Street, Suite 400  
San Francisco, CA 94103

Dear Ms. Gibson:

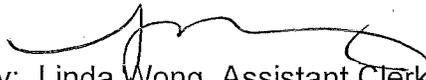
On April 30, 2019, the Airport Commission submitted the following proposed legislation to the Board of Supervisors:

**File No. 190482**

**Resolution authorizing the Airport Commission to accept and expend a grant for the Voluntary Airport Low Emissions Program under the Airport Improvement Program in the amount of \$6,750,000 and any additional amounts up to 15% of the original grant, that may be offered from the Federal Aviation Administration for the purchase and installation of electrical ground service equipment infrastructure and charging stations for the period of September 1, 2019, through March 31, 2021; and affirming the Planning Department's determination under the California Environmental Quality Act.**

This legislation is being transmitted to you for environmental review.

Angela Calvillo, Clerk of the Board

  
By: Linda Wong, Assistant Clerk  
Budget and Finance Sub-Committee

Attachment

c: Joy Navarrete, Environmental Planner  
Laura Lynch, Environmental Planner

**Wong, Linda (BOS)**

---

**From:** Wong, Linda (BOS)  
**Sent:** Monday, May 20, 2019 4:02 PM  
**To:** Gibson, Lisa (CPC)  
**Cc:** Navarrete, Joy (CPC); Lynch, Laura (CPC)  
**Subject:** BOS File No. 190482 - Environmental Review  
**Attachments:** 190482.pdf

Hi Lisa,

Attached is a referral for BOS File No. 190482, which is being referred to the Planning Department for environmental review.

**File No. 190482**

**Resolution authorizing the Airport Commission to accept and expend a grant for the Voluntary Airport Low Emissions Program under the Airport Improvement Program in the amount of \$6,750,000 and any additional amounts up to 15% of the original grant, that may be offered from the Federal Aviation Administration for the purchase and installation of electrical ground service equipment infrastructure and charging stations for the period of September 1, 2019, through March 31, 2021; and affirming the Planning Department's determination under the California Environmental Quality Act.**

Thank you in advance for your response.

Regards,

Linda

Linda Wong  
Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244  
San Francisco, CA 94102-4689  
Phone: 415.554.7719 | Fax: (415) 554-5163  
[Linda.Wong@sfgov.org](mailto:Linda.Wong@sfgov.org) | [www.sfbos.org](http://www.sfbos.org)

**Please complete a Board of Supervisors Customer Service Satisfaction form by clicking [here](#).**

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*Disclosures: Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy.*

2019 APR 30 PM 4:39

**TO:** Angela Calvillo, Clerk of the Board of Supervisors  
**FROM:** Corina Monzón, Airport Commission Secretary   
**DATE:** April 16, 2019  
**SUBJECT:** Accept and Expend Resolution for Subject Grant

**GRANT TITLE:** Federal Aviation Administration Airport Improvement Program Voluntary Airport Low Emissions Program Grant

---

Attached please find the original\* and 1 copy of each of the following:

- Proposed grant resolution; original\* signed by Department, Mayor, Controller
- Grant information form, including disability checklist
- Grant budget
- Grant application
- Grant award letter from funding agency
- Ethics Form 126 (if applicable)
- Contracts, Leases/Agreements (if applicable)
- Other (Explain):

**Special Timeline Requirements:**

Anticipate receiving grant offer in June 2019.

**Departmental representative to receive a copy of the adopted resolution:**

Name: Cathy Widener, Government Affairs Director Phone: (650) 821-5023

Interoffice Mail Address: Airport

Certified copy required Yes

No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

