AIRPORT COMMISSION

CITY AND COUNTY OF SAN FRANCISCO

RESOLUTION NO. 25-0132

APPROVAL OF THE UPDATE TO THE FISCAL YEAR 2025/26 INFRASTRUCTURE PROJECTS PLAN INCREASING THE BUDGET FROM $3.0 BILLION TO $4.4 BILLION, AND ESTABLISHING A DIRECTOR'S RESERVE

WHEREAS, San Francisco Administrative Code Section 3.20 requires the Airport to submit a 10-Year Capital Improvement Plan (CIP) each odd-numbered year; and

WHEREAS, on September 5, 2017, the Commission adopted Resolution No. 17-0212, which established the Ascent Program – Phase I for $7.3 billion and Infrastructure Projects Plan for $122 million within the CIP; and

WHEREAS, on March 5, 2019, by Resolution No. 19-0041, the Commission approved the Infrastructure Projects Plan for Fiscal Year 2019/20 through Fiscal Year 2028/29 in the amount of $351 million; and

WHEREAS, on June 2, 2020, by Resolution No. 20-0089, the Commission approved the addition of certain capital improvement projects to the Infrastructure Projects Plan and approved the updated Infrastructure Projects Plan in the amount of $571 million; and

WHEREAS, on April 19, 2022, by Resolution No. 22-0059, the Commission approved renaming the Infrastructure Projects Plan to the Rolling Capital Improvement Plan, approved a decrease to the budget from $570 million to $492 million, and established the Director's Rolling CIP Reserve; and

WHEREAS, on January 17, 2023, by Resolution No. 23-0007, the FY 2022/23 Mid-Year CIP Update increased the Rolling CIP budget from $492 million to $1.6 billion; and

WHEREAS, on October 3, 2023, by Resolution No. 23-0242, the Airport changed the Rolling Capital Improvement Plan (Rolling CIP) back to its original name, the Infrastructure Projects Plan, and increased the FY 2023/24 Infrastructure Projects Plan budget from $1.6 billion to $3.0 billion; and

WHEREAS, Airport staff has reviewed and ranked the proposed capital projects for the FY 2025/26 Infrastructure Projects Plan for Fiscal Year 2025/26 through Fiscal Year 2034/35; and

WHEREAS, Airport staff recommends the projects be added to the Infrastructure Projects Plan; and

WHEREAS, in light of ongoing pricing uncertainty, supply chain disruptions, and dynamic market conditions, an Infrastructure Projects Plan Director's Reserve is being included in the FY 2025/26 Infrastructure Projects Plan; and

WHEREAS, the Infrastructure Projects Plan Director's Reserve totals $402 million and is calculated as 10% of the $4.0 billion in FY 2025/26 Infrastructure Projects Plan project budgets; and

WHEREAS, Airport staff has identified the necessary capital funding sources to support the updated FY 2025/26 Infrastructure Projects Plan; and

WHEREAS, the FY 2025/26 Infrastructure Projects Plan is part of the Airport's Capital Improvement Plan, which defines its projects into the following two categories for tracking and reporting purposes: (1) the Ascent Program - Phase 1.5 which includes an Ascent Program – Phase 1.5 Reserve; and (2) the FY 2025/26 Infrastructure Projects Plan which includes a Director's Infrastructure Projects Plan Reserve; now, therefore, be it

RESOLVED, that this Commission approves the FY 2025/26 Infrastructure Projects Plan as set forth in Attachment 1, with a budget increase from $2,986,748,710 to $4,417,245,753; and, be it further

RESOLVED, that the FY 2025/26 Infrastructure Projects Plan Director's Reserve is established and the Airport Director is authorized to allocate the Director's Reserve only to projects included in the FY 2025/26 Infrastructure Projects Plan as approved pursuant to this resolution, without any cost savings on completed projects being added or returned to the Director's Reserve, provided that: (1) unless otherwise approved by the Commission, the availability of the Director's Reserve for allocation to projects will sunset on the FY 2025/26 Infrastructure Projects Plan completion; (2) each project expenditure is in conformance with applicable law; and (3) the Airport Director shall periodically report to the Commission on the CIP project expenditures and the allocation of the Director's Reserves to projects, as further described in the Airport Director's memorandum accompanying this resolution; and, be it further

RESOLVED, that, by taking this action, this Commission is not making a commitment to proceed with any individual project in the Capital Improvement Plan, and retains its discretion to, among other things, modify a project, or elect not to proceed with the project, based on information generated through any required environmental review process or for any other reason, and FY 2025/26 Infrastructure Projects Plan Director's Reserve funds may not be utilized for construction of a project under the FY 2025/26 Infrastructure Projects Plan, unless and until: (1) any required environmental review under the California Environmental Quality Act (CEQA) is completed or the project is determined to be exempt from CEQA, and (2) the Commission has taken an Approval Action (as defined in San Francisco Administrative Code section 31.04(h) with respect to the project.

I hereby certify that the foregoing resolution was adopted by the Airport Commission

at its meeting of AUG 19 2025

Secretary

SAN FRANCISCO INTERNATIONAL AIRPORT

MEMORANDUM
August 19, 2025

TO: AIRPORT COMMISSION
Hon. Malcolm Yeung, President
Hon. Jane Natoli, Vice President
Hon. Jose F. Almanza
Hon. Mark Buell
Hon. Susan Leal

25-0132

AUG 19 2025

FROM: Airport Director

SUBJECT: Approval of the Update to the Fiscal Year 2025/26 Infrastructure Projects Plan

DIRECTOR'S RECOMMENDATION: APPROVE THE UPDATE TO THE FISCAL YEAR 2025/26 INFRASTRUCTURE PROJECTS PLAN AND INCREASE THE BUDGET FROM $3.0 BILLION TO $4.4 BILLION, AND ESTABLISH A DIRECTOR'S RESERVE.

Executive Summary

The attached resolution approves the Airport's updated Fiscal Year (FY) 2025/26 Infrastructure Projects Plan, which is updated on an as-needed basis to reflect evolving priorities. This update increases the Infrastructure Projects Plan from $3.0 billion to $4.4 billion to support critical operational and resiliency needs and to include a Director's Reserve of $402 million.

Background

On October 3, 2023, the Commission adopted Resolution No. 23-0242, which established the Ascent Program – Phase 1.5 and Infrastructure Projects Plan within the Airport's Capital Improvement Plan (CIP). The CIP consists of: (1) the fixed $8.0 billion Ascent Program - Phase 1.5, and (2) the FY 2025/26 Infrastructure Projects Plan, which totals $4.4 billion. The proposed resolution does not make any changes to the fixed Ascent Program – Phase 1.5. Combined with the existing $8.0 billion Ascent Program – Phase 1.5, the update brings the CIP to approximately $12.5 billion. Comprehensive lists of uses for the projects associated with Ascent Program – Phase 1.5 and the Fiscal Year 2025/26 Infrastructure Projects Plan are detailed in Attachments 1 and 2. A further history of the prior Commission actions related to the Ascent Program and the FY 2025/26 Infrastructure Projects Plan is set forth in Appendix A.

Infrastructure Projects Plan Update

The update to the FY 2025/26 Infrastructure Projects Plan brings the total from $3.0 billion to $4.4 billion, which represents a $1.4 billion increase over the FY 2023/24 Infrastructure Projects Plan, and includes essential projects supporting state of good repair and infrastructure upgrades, such as power & lighting improvements, runway improvements, technology initiatives, terminal improvements, water system projects, among others. The FY 2025/26 Infrastructure Projects Plan also includes a Director's Reserve of $402 million, which represents 10% of the $4.0 billion in project costs to address unanticipated needs and changing market conditions.

THIS PRINT COVERS CALENDAR ITEM NO. 4

A comprehensive list of uses for the FY 2025/26 Infrastructure Projects Plan projects is included in Attachment 1.

Plan of Finance (Sources) and (Uses)

A combination of Airport revenue bonds, commercial paper, grants, and other funding sources will fund the FY 2025/26 Infrastructure Projects Plan. As shown in the table below, grants and other funding sources is estimated to fund approximately $813 million (18%) while Airport revenue bonds will fund the remaining $3.6 billion (82%). The Commission continues to use its commercial paper program as an interim financing tool to achieve a lower, short-term interest rate. The commercial paper notes are issued on a short-term basis and are eventually refinanced with long-term Airport revenue bonds. This approach enables the Commission to issue debt only as it is required.

Sources of Funds	Description	Total ($ in millions)
General Airport Revenue Bonds (GARBs)	Commercial Paper as interim financing tool (lower, short-term interest rate) and refinance with long-term Airport revenue bonds	$3,604
Grants	Estimated grant awards based on the application process	472
Other Funding Sources	Estimated funding from other City departments and use of the Operating Revenue and Capital Improvement Fund (ORCIF)	341
Total Sources of Funds		**$4,417**

Uses of Funds by Project	Description	Total ($ in millions)
Power & Lighting Improvements	Install and upgrade power distribution equipment and electrical infrastructure to support airport-wide operations	$681
Runway Improvements	Rehabilitate various runways, including pavement reconstruction, airfield lighting, signage, pavement markings, timber trestles, and associated utility improvements	466
Infrastructure Projects Plan Director's Reserve	This reserve represents ten percent of the total FY 2025/26 Infrastructure Projects Plan projects to be used to address unanticipated needs and changing market conditions	402
Technology Improvement Projects	Upgrade, replace, and add new technology and telecommunication system infrastructure to enhance the delivery, connectivity and cybersecurity of business services	375
International Terminal Improvements	Replace, upgrade and improve various International Terminal components including roof, HVAC system, restrooms, lost and found, fire alarm and fire sprinkler systems	361

Water System Improvements	Construct a new recycled water system and upgrade various water mains and meters	330
All Other Projects	Subtotal of remaining FY 2025/26 Infrastructure Projects Plan projects	1,802
Total Uses of Funds		**$4,417**

Infrastructure Projects Plan Director's Reserve

Given current market conditions including volatility and uncertainty in several areas such as pricing, supply chains, inflationary pressures, and geopolitical factors, staff proposes the use of an Infrastructure Projects Plan Director's Reserve. This reserve, in addition to traditional project contingencies, will help the Airport respond to evolving market conditions while maintaining progress on critical capital improvements. The proposed Infrastructure Projects Plan Director's Reserve would represent 10% or $402 million of the FY 2025/26 Infrastructure Projects Plan project total of $4.0 billion.

The proposed resolution authorizes the Airport Director to allocate the Infrastructure Projects Plan Director's Reserve to projects included in the FY 2025/26 Infrastructure Projects Plan, and without any cost savings on completed projects in the FY 2025/26 Infrastructure Projects Plan being added or returned to the Infrastructure Projects Plan Director's Reserve.

Unless otherwise approved by the Commission, the availability of the Director's Reserve for allocation to projects will sunset for the (1) fixed Ascent Program – Phase 1.5 at the program's completion and (2) dynamic FY 2025/26 Infrastructure Projects Plan at the time which this Commission approves the next update to the Infrastructure Projects Plan. As noted, the reserves are distinct between the Ascent Program – Phase 1.5 and the FY 2025/26 Infrastructure Projects Plan and cannot be commingled.

Summary Table of Director's Reserves in the Capital Improvement Plan
**Note: Totals may not add up due to rounding*

Project Budget vs. Director's Reserves	Description	Ascent Program - Phase 1.5	FY 2025/26 Infrastructure Projects Plan	Total ($ in millions)
Project Budget	Project budgets in the CIP	$7,305	$4,016	$11,321
Director's Reserves	Calculated at 10% of Projects	$730	$402	$1,131
Total CIP		**$8,035**	**$4,417**	**$12,452**

Project Status and Reporting

The Airport Director periodically reports to the Commission on the Ascent Program – Phase 1.5 and the Infrastructure Projects Plan expenditures, and the allocation of the Director's Reserves to projects, and will continue to do so. These updates will include project status and expected completion dates, project forecasts vs. budget, and use of Director's Reserves.

Recommendation

I recommend the Commission adopt the attached resolution approving the update to the FY 2025/26 Infrastructure Projects Plan increasing the budget from $3.0 billion to $4.4 billion and establishing a Director's Reserve.

Sincerely,

Mike Nakornkhet
Airport Director

Prepared by: Kevin Bumen
Chief Financial and Commercial Officer

Attachments

Attachment 1
San Francisco International Airport
FY 2025/26 Infrastructure Projects Plan
($ in thousands)

#	Airport Project Category	Project Description	Prior Funding	Future Funding	Project Total
1	Power & Lighting Improvements	Install and upgrade power distribution equipment and electrical infrastructure to support airport-wide operations.	$ 33,074	$ 648,101	$ 681,175
2	Runway Improvements	Rehabilitate various runways including pavement reconstruction, airfield lighting, signage, pavement markings, timber trestles and associated utility improvements.	215,557	250,280	465,837
3	Director's Infrastructure CIP Reserve	This reserve is used to fund unanticipated scope changes and/or address changing market conditions related to projects in the Infrastructure Projects Plan.	-	401,568	401,568
4	Technology Improvement Projects	Upgrade, replace, and add new technology and telecommunication system infrastructure to enhance the delivery and connectivity of business services.	71,167	303,996	375,162
5	International Terminal Improvements	Replace, upgrade and improve various International Terminal components including roof, HVAC system, restrooms, lost and found, fire alarm and fire sprinkler systems.	55,126	305,954	361,080
6	Water System Improvements	Construct a new recycled water system and upgrade various water mains and meters.	5,676	324,824	330,500
7	Taxiway Improvements	Reconstruct and rehabilitate portions of various taxiways including upgrades to airfield lighting, signage, and pavement markings.	108,253	196,441	304,694
8	Security Improvements	Strengthen Airport-wide security with various improvements to infrastructure, including enhanced Access Control, Closed-Circuit Television (CCTV) systems, and other system upgrades.	325	171,175	171,500
9	Waste Water System Improvements	Make improvements to the sanitary sewer system, West Field Station BP, pipeline replacements and various other industrial waste systems and pump stations.	4,591	147,988	152,579
10	Airport Support Miscellaneous Improvements	Replace or upgrade various airport-wide systems in support of daily operations such as the Ground Transportation Management (GTMS) system, Automotive Paint Booth, and fire station alerting.	2,234	142,482	144,716
11	Superbay Renovation Projects	Renovate the existing Superbay facility to address aging infrastructure.	1,197	142,000	143,197
12	Airport Shoreline Protection Projects	Provide for conceptual design and planning, environmental review and mitigation, project construction permits, and public outreach. Extend and replace existing seawall and embankments to address SFO's risk of flooding from storms and sea level rise.	15,314	115,186	130,500
13	Energy and Efficiency Improvements	Install and replace various electrical control systems, equipment, and solar, to improve energy efficiency and resilience.	1,065	94,183	95,249
14	Viaduct Improvements	Resurface the upper level viaduct and repair the terminal 2 departures level roadway.	2,447	81,553	84,000
15	Parking & Garage Improvements	Replace the Parking Access and Revenue Control System (PARCS) and make various other improvements to the Airport parking garages.	2,370	71,630	74,000
16	Miscellaneous Terminal Improvements	Replace checkpoint equipment airport wide, replace the roof on Boarding Area's C and F, standup AIOC systems, and make various other terminal improvements.	378	73,372	73,750
17	Support Facility Improvements	Make improvements to various Airport buildings and office spaces.	7,275	57,809	65,084
18	Noise Insulation Projects	Install acoustic treatments in qualifying homes.	13,566	33,334	46,900
19	Elevator, Escalator, & Moving Walk Modernization	Modernize moving walkways, escalators, and elevators throughout the Airport.	16,650	29,750	46,400
20	Fire Equipment Projects	Replace fire engines and Airport Rescue Firefighting vehicles; purchase a new rescue watercraft.	5,746	36,654	42,400
21	Shuttle Bus Replacement	Replace shuttle bus vehicles that have reached the end of their useful life.	2,625	29,776	32,401
22	Roadway Improvements	Reconfigure and update various roadway intersections airport-wide to include pedestrian safety improvements, signage systems, and improve ground transportation efficiencies.	854	27,646	28,500

(continued on next page)

Attachment 1
San Francisco International Airport
FY 2025/26 Infrastructure Projects Plan
($ in thousands)

#	Airport Project Category	Project Description	Prior Funding	Future Funding	Project Total
23	Capital Equipment	Replace various capital equipment that is used for operational maintenance that has reached the end of its useful life.	2,348	25,858	28,206
24	Utility Improvements	Upgrade ventilation and install natural gas leak detection in the Central Utility Tunnel, replace HVAC and supply fans in select Airport locations, replace fire sprinklers, and conduct an Infrastructure Modernization Program (IMP) study.	2,416	25,284	27,700
25	AirTrain Improvements	Replace and upgrade various AirTrain systems including security and signage.	8,472	19,200	27,672
26	Miscellaneous Airfield Improvements	Maintain and improve airfield infrastructure to enhance the safety and efficiency of airfield operations.	-	27,000	27,000
27	Storm Drain Improvements	Upgrade and replace aging storm drain systems throughout the Airport.	1,091	25,009	26,100
28	Apron Reconstruction	Reconstruct and make improvements to the parking aprons at Plot 9.	4	24,996	25,000
29	Airport Support Computer System Improvements	Develop new computer systems that will support Airport business activities.	2,023	2,354	4,377
	Infrastructure Projects Plan Total		**$ 581,844**	**$ 3,835,402**	**$ 4,417,246**

Attachment 2
San Francisco International Airport
Ascent Program - Phase 1.5
($ in thousands)

	Prior Funding	Future Funding	Project Total
Ascent Phase 1.5 Program Total	$ 3,077,554	$ 4,957,891	$ 8,035,445

APPENDIX A

Airport Commission Resolutions related to the Airport's CIP

On December 5, 2006, by Resolution No. 06-0232, the Commission approved the Capital Plan Policy, which sets forth the process for the development, approval, and modification of the CIP.

On September 5, 2017, by Resolution No. 17-0212, the Commission established the Ascent Program and Infrastructure Projects Plan within the CIP.

On March 5, 2019, by Resolution No. 19-0041, the Commission approved the Infrastructure Projects Plan for Fiscal Year 2019/20 through Fiscal Year 2028/29 in the amount of $351 million.

On June 2, 2020, by Resolution No. 20-0089, the Commission approved the addition of certain projects to the Infrastructure Projects Plan for a new amount of $571 million.

On April 19, 2022, by Resolution No. 22-0059, the Commission approved the renaming of the Infrastructure Projects Plan to the FY 2022/23 Rolling Capital Improvement Plan and reduced the budget from $571 million to $492 million, due to the removal of any completed or cancelled projects from the Rolling CIP.

On January 17, 2023, by Resolution No. 23-0007, the Commission approved the Mid-Year Update to the FY 2022/23 Rolling CIP and increase the budget from $492 million to $1.6 billion.

On October 3, 2023, the Commission adopted Resolution No. 23-0242, which established and approved the Ascent Program – Phase 1.5 with a fixed budget of $8.0 billion and the dynamic FY 2023/24 Infrastructure Projects Plan with a budget of $3.0 billion.