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# Memorandum

**TO: HONORABLE MAYOR  
AND CITY COUNCIL**

**FROM: Nadine Nader**

**SUBJECT: Early Council Packet**

**DATE: April 12, 2011**

Approved

*Nadine Nader*

Date

*4/12/11*

## **EARLY DISTRIBUTION COUNCIL PACKET FOR APRIL 26, 2011**

Please find attached the Early Distribution Council Packet for the April 26, 2011 Council Meeting.

### **3.x Airport Commercial Paper Program Letter of Credit Extension.**

**Recommendation:** Adopt a resolution authorizing the City's designated officers to negotiate, execute and deliver an amendment to, or an amendment and restatement of, the Letter of Credit and Reimbursement Agreement by and between the City and Lloyds TSB Bank plc, acting through its New York Branch, related to the City of San José, San José International Airport Subordinated Commercial Paper Notes, Series D-F, to extend the term of this agreement and make certain other modifications thereto, and authorizing the City's designated officers to take other necessary actions in connection therewith.  
CEQA: Not a Project, File No. PPIO-066, Agreements/Contracts (New or Amended).  
(Finance)

### **6.x Actions Related to the Taxiway W Extension J-L Project at the Norman Y. Mineta San José International Airport.**

**Recommendation:**

- (a) Adopt a resolution authorizing the Director of Public Works to determine the lowest responsive and responsible bidder for the Taxiway W Extension J-L Project at the Norman Y. Mineta San José International Airport and to either:
  - (1) Award the contract to the lowest responsive and responsible bidder in an amount not to exceed \$11,500,000, contingent upon award and execution of an Airport Improvement Program (AIP) Grant from the Federal Aviation Administration (FAA); or
  - (2) Reject all bids and re-bid the Project.
- (b) Approve a contingency equal to fifteen percent of the award amount.  
CEQA: Resolution Nos. 67380 and 71451, File No. PP11-037. (Public Works/Airport)

**Joint City Council/Financing Authority:**

**Actions Related to the San Jose Financing Authority Lease Revenue Bonds, Series 2008F.**

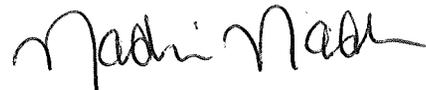
**Recommendation:**

- (a) It is recommended that the City Council adopt a resolution to:
  - (1) Approve and authorize the negotiation, execution, and delivery of a First Amendment to Letter of Credit and Reimbursement Agreement, the Fee Letter Agreement, and other related actions in connection with the City of San José Financing Authority Lease Revenue Bonds, Series 2008F in order to allow for the extension of the existing credit facility.
- (b) It is recommended that the City of San José Financing Authority Board adopt a resolution to:
  - (1) Approve and authorize the negotiation, execution, and delivery of a First Amendment to Letter of Credit and Reimbursement Agreement and other related actions in connection with the City of San José Financing Authority Lease Revenue Bonds, Series 2008F in order to allow for the extension of the existing credit facility.

CEQA: Not a Project, File No. PP10-066, Agreements/Contracts (New or Amended).  
(Finance)

**TO BE DISTRIBUTED SEPARATELY**

These items will also be included in the Council Agenda Packet with item numbers.



NADINE NADER  
Assistant to the City Manager



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Julia H. Cooper

**SUBJECT:** AIRPORT COMMERCIAL PAPER  
PROGRAM LETTER OF CREDIT  
EXTENSION

**DATE:** April 4, 2011

Approved

Date

4/8/11

**COUNCIL DISTRICT:** City-Wide

## RECOMMENDATION

It is recommended that the City Council:

Adopt a resolution authorizing the City's designated officers to negotiate, execute and deliver an amendment to, or an amendment and restatement of, the Letter of Credit and Reimbursement Agreement by and between the City and Lloyds TSB Bank plc, acting through its New York Branch, related to the City of San José, San José International Airport Subordinated Commercial Paper Notes, Series D-F, to extend the term of this agreement and make certain other modifications thereto, and authorizing the City's designated officers to take other necessary actions in connection therewith.

## OUTCOME

Approval of this recommendation will extend the term of the Letter of Credit and Reimbursement Agreement for four months from May 7, 2011 to September 7, 2011. The amendment will also modify other terms of the Agreement as discussed in the Analysis section of this memorandum. This extension is anticipated to provide staff with additional time to convert to long-term bond financing a portion of the interim commercial paper financing related to Phase I of the Airport Development Program at the Norman Y. Mineta San José International Airport.

## BACKGROUND

### History of the City's Airport Commercial Paper Program

On November 2, 1999, the City Council adopted Resolution No. 69200 approving the implementation of a commercial paper program (the "Airport CP Program") for the Norman Y.

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**Subject: Airport Commercial Paper Program Letter of Credit Extension**

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Mineta San José International Airport (the "Airport"), which authorized the issuance of up to \$100 million through a combination of three series of commercial paper notes: Series A (Non-AMT), Series B (AMT), and Series C (Taxable). The Airport CP Program was established to provide interim financing for Airport capital needs in anticipation of issuance of Airport revenue bonds that would replace the short-term notes with permanent long-term financing. Airport commercial paper notes are debt obligations backed by Net General Airport Revenues and are subordinate to Airport senior lien debt, also backed by these revenues. Net General Airport Revenues are the Airport's gross revenues less maintenance and operation expenses and are first pledged to repay Airport revenue bonds and then Airport commercial paper notes. The technical aspects of how commercial paper works are described in the attached Appendix A.

Since 1999, the commercial paper notes have been used to initially fund the Airport's runway projects, consolidated rental car garage project design efforts, costs associated with the 2002 Refunding Bonds, the initial costs associated with the implementation of the requirements under the federal Aviation and Transportation Security Act, the Claims Loss Reserve for the Airport's Owner Controlled Insurance Program for the North Concourse Project, the Terminal Area Improvement Program, and to fund associated interest costs during construction of these projects.

On June 20, 2006, the City Council approved an expansion of the Airport CP Program from \$100 million to \$200 million to ensure that funding would be available for the award of the design and construction contracts related to the amended Airport Master Plan projects and to pay costs related to the Airport's lease of the former FMC property.

On January 9, 2007, the City Council approved an expansion of the Airport CP Program from \$200 million to \$450 million to ensure that funding would be available for the design and construction contracts related to the rephased Airport Master Plan projects. The Series A-C Notes of the Airport CP Program are secured by letters of credit issued on a several, not joint, basis by JPMorgan Chase Bank, N.A. ("JPMorgan"), Bank of America, N.A. ("Bank of America"), and Dexia Credit Local, acting through its New York Branch ("Dexia")<sup>1</sup>, pursuant to the Second Amended and Restated Letter of Credit and Reimbursement Agreement (the "JPM/BofA/Dexia Agreement").

On March 25, 2008, the City Council approved an expansion of the Airport CP Program from \$450 million to \$600 million primarily to refund Airport Auction Rate Securities that were adversely impacted by disruptions in the financial markets related to auction rate securities. This expansion was accomplished through a combination of three additional series of commercial paper notes: Series D (Non-AMT), Series E (AMT), and Series F (Taxable), and is secured by a letter of credit issued by Lloyds TSB Bank plc ("Lloyds") pursuant to a Letter of Credit and Reimbursement Agreement (the "Agreement").

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<sup>1</sup> Dexia Credit Local is a subsidiary of Dexia SA, which is a limited liability company and is incorporated and domiciled in Belgium.

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On September 1, 2009, the City Council adopted a resolution authorizing the issuance of tax-exempt private activity non-AMT commercial paper notes as provided for in the American Recovery and Reinvestment Act of 2009. At that time, the Series A Notes were redesignated as Series A-1 (Non-AMT) and Series A-2 (Non-AMT/Private Activity) and the Series D Notes were authorized to be redesignated as Series D-1 (Non-AMT) and Series D-2 (Non-AMT/Private Activity).

On November 9, 2010, the City Council authorized an amendment to the JPM/BofA/Dexia Agreement that extended the term of the agreement for two months from December 2, 2010 to February 2, 2011, removed Dexia Credit Local as a party to the agreement, reduced the amount of available credit from \$450 million to approximately \$283 million, and amended other terms of the Agreement. The two-month extension provided additional time to complete negotiations related to the replacement letters of credit approved by the City Council on January 11, 2011.

On January 11, 2011, the City Council approved letter of credit and reimbursement agreements with each of JPMorgan Chase Bank, N.A., Bank of America, N.A., Citibank, N.A. ("Citibank") and Wells Fargo Bank, N.A. ("Wells Fargo"). The terms of the agreements range from one year to three years and the replacement letters of credit provide aggregate credit support of \$383 million to the Airport CP Program.

## **ANALYSIS**

### **Amendment to the Agreement**

The amendment to the Agreement with Lloyds (the "Amendment") will extend the term of the Agreement for four months from May 7, 2011 to September 7, 2011. This extension is anticipated to provide staff with additional time necessary to convert to long-term bond financing a portion of the interim commercial paper financing related to Phase I of the Airport Development Program at the Norman Y. Mineta San José International Airport. The Agreement will be terminated after the long-term refinancing bonds are issued.

As a condition of the extension, Lloyds requires that certain terms and conditions of the Agreement be amended as follows. The fee payable for the letters of credit (the "Base Fee") will be increased from the current fee of 0.84% of the commitment amount (current fee is approximately \$97,000 per month) to the new renegotiated fee of 1.40% of the commitment amount (amended fee is estimated at approximately \$161,000 per month). This represents an increase of approximately \$256,000 in fees over the four-month period of the extension if the letter of credit remains outstanding for the full term of the extension period; however, staff anticipates that the long-term bonds will be issued prior to the end of the four-month period and the letter of credit will be terminated after the bonds are issued. The amended fee structure is consistent with current market pricing for credit and the fee structure for the letters of credit for the Airport CP Program that the City Council approved in January 2011.

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The revised pricing is subject to maintenance of the current underlying credit ratings on the Airport bonds of A2/A/A- (Moody's/Standard & Poor's/Fitch). The fee will be determined according to the following table with the lowest rating used to determine the fee. The Base Fee during the four-month extension period is 1.40%.

| Level | Moody's Rating | S&P Rating | Fitch Rating | Annual Fee        |
|-------|----------------|------------|--------------|-------------------|
| 1     | A2 or above    | A or above | A- or above  | Base Fee (1.40%)  |
| 2     | A3             | A-         | A- or above  | Base Fee + 0.30 % |
| 3     | Baa1           | BBB+       | BBB+         | Base Fee + 0.55 % |
| 4     | Baa2           | BBB        | BBB          | Base Fee + 0.75 % |
| 5     | Baa3           | BBB-       | BBB-         | Base Fee + 0.95 % |
| 6     | Below Baa3     | Below BBB- | Below BBB-   | Base Fee + 1.20 % |

If a rating from any rating agency is suspended, withdrawn or otherwise unavailable for credit related reasons, the Annual Fee will be the fee corresponding to Level 6 in preceding table. If a rating from any rating agency is suspended, withdrawn or otherwise unavailable for non-credit related reasons, the Annual Fee will be the fee corresponding to the Level that was applicable prior to such suspension or withdrawal. Additionally, the Annual Fee will increase immediately by an additional 1.00% from and after the occurrence of an Event of Default from the Annual Fee in effect immediately prior to such Event of Default.

Additional provisions of the Agreement are anticipated to be modified by the Amendment. These modifications are primarily to make the Agreement consistent with the other agreements that the City Council approved in January 2011 related to letters of credit for the Airport CP Program; however, those terms and conditions are currently under negotiation. The final terms and conditions of the Amendment will be provided to the City Council in a supplemental memorandum after negotiations are complete and prior to the City Council meeting on April 26, 2011.

### **Long-Term Strategy for Airport CP Program**

As discussed in the memorandum dated July 23, 2007 related to the Series 2007 Airport Revenue Bonds (Council Agenda 8/14/2007, Item #3.9), the plan of finance for Phase I called for the Airport CP Program to serve as an interim financing vehicle during the construction period. The memorandum also indicated an expectation that some or all of the commercial paper issued to fund Phase I projects would be refinanced with long-term bonds on or around the completion date of the Phase I projects, subject to market conditions, the Airport's operations and performance, and other factors.

Given that the Phase I projects are largely complete at this time, staff has initiated the previously contemplated long-term bond financings with one or more anticipated closing dates in mid-2011. At this time, staff anticipates using bond proceeds to refinance a significant portion of the currently outstanding Airport commercial paper and, in conjunction with the refinancing,

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substantially reducing the size of the Airport CP Program. A specific recommendation will be forthcoming in a memorandum dedicated to the bond financing.

### **Financing Team**

The financing team participants consist of:

- City's Co-Financial Advisors: Public Financial Management  
Public Resources Advisory Group
- Bond Counsel: Orrick Herrington & Sutcliffe LLP
- Letter of Credit Bank: Lloyds TSB Bank, plc
- Bank Counsel: Chapman and Cutler LLP
- Issuing and Paying Agent: Deutsche Bank Trust Company Americas

### **Financing Schedule**

The current proposed schedule for the letter of credit extension is as follows:

|                   |                |
|-------------------|----------------|
| City Council:     | April 26, 2011 |
| Document closing: | May 3, 2011    |

### **EVALUATION AND FOLLOW-UP**

This memorandum presents a recommendation for the City Council's approval of various actions related to the City of San José Airport Commercial Paper Program and requires no follow-up to the City Council.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.  
**(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**

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- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

### **COORDINATION**

This report has been prepared by the Finance Department in coordination with the City Attorney's Office, Airport Department, and financing team participants.

### **COST IMPLICATIONS**

Professional services (bank expenses, bank counsel fees and rating agency fees) and other related costs are estimated to be approximately \$32,500 and will be paid from Airport operating funds. Not included in this amount are financial advisor fees and bond counsel fees that are billed on a time and materials basis that will also be paid from Airport operating funds.

### **BUDGET REFERENCE**

Not applicable.

### **CEQA**

Not a project, File No. PPIO-066, Agreements/Contracts (New or Amended)

/s/

JULIA H. COOPER  
Assistant Director of Finance

For questions, please contact Julia H. Cooper, Assistant Director of Finance, at (408) 535-7011.

## APPENDIX A

### TECHNICAL ASPECTS OF COMMERCIAL PAPER

#### *The Mechanics of Commercial Paper*

Commercial paper is debt that is sold with a maturity of between 1 and 270 days. The maturity of an individual commercial paper note is determined by the commercial paper dealer and the issuer at the time it is sold. Each commercial paper note bears interest at a fixed rate for the 1-270 day period of time it is outstanding; or is sold at a discount, and such interest or discount is payable when the note matures. (The procedures for the payment of interest on the commercial paper are described below under "Payment of Principal and Interest on Commercial Paper".)

Municipal commercial paper programs typically require the issuer to obtain credit support through one or more letters of credit provided by a commercial bank. Upon each note maturity, the paying agent is authorized and required to draw on the supporting letter of credit in the amount of principal and interest due on that date. The issuer may then "roll over" the commercial paper notes by issuing renewal notes and using the proceeds of the renewal notes to reimburse the draw on the letter of credit. To the extent that the commercial paper dealer is unable to find an investor for the renewal notes, the draw on the letter of credit remains unreimbursed and the issuer is responsible for repaying the bank or banks that provided the letter of credit. The terms and conditions governing the letter(s) of credit and the reimbursement process are memorialized in a reimbursement agreement entered into by and between the issuer and the bank or bank(s) that provided the letter of credit.

The renewal notes may be sold through a commercial paper dealer either to a new investor or to the investor who held the maturing note. The process of rolling over commercial new paper is not considered to be the issuance of additional debt as long as the amount of commercial paper outstanding is not increased as a result of the "roll over." Through the "roll over" mechanism, commercial paper can be kept outstanding indefinitely, as individual commercial paper notes continually mature and new commercial paper notes are issued.

Commercial paper is considered a form of variable-rate debt. Even though the interest rate on each commercial paper note is fixed at the time such note is issued, the rate on each commercial paper note will be based on market conditions at the time. The rates on new commercial paper notes will thus vary from one week or month to another. The actual cost of the program to the issuer will be the average rate on all of its outstanding commercial paper notes over time. Most issuers calculate such average rates on a quarterly or annual basis. Overall, commercial paper rates tend to be among the lowest available in the tax-exempt and taxable markets for municipal debt.

The buyers of commercial paper are considered short-term investors, because their investments in commercial paper mature in 270 days or less. One of the attractive features commercial paper offers to an investor is that the maturities can be matched to the specific timing needs of an investor (such as 27 days, or 112 days). This helps an investor invest amounts for a very precise period of time until such funds are needed for a specific known payment obligation in the future. Buyers of commercial paper include major corporations and money market funds. Commercial paper is attractive to money market funds because it complies with the maturity limitations imposed on such funds, and the flexibility in setting the maturity of commercial paper may help

## APPENDIX A (Continued)

the fund achieve or maintain the average maturity it is seeking. Money market funds are likely to continue to buy a given issue of commercial paper as it rolls over, and thus may own an issue for an extended period of time.

### Payment of Principal and Interest on Commercial Paper

Commercial paper is not sold with a fixed principal repayment schedule. Instead, the issuer maintains almost complete flexibility with respect to the timing and amounts in which the principal amount of commercial paper will be repaid. Basically, the issuer can repay commercial paper on any date on which a commercial paper note is scheduled to mature by providing the funds to repay such note to the paying agent for the issue. The paying agent uses such funds to pay the holder of the commercial paper. At the same time, the issuer instructs its commercial paper dealer not to attempt to sell new commercial paper to roll over the paper, which is maturing. Hence, if such steps were taken, the amount of commercial paper outstanding at the end of the day is reduced.

The individual commercial paper notes are likely to have different maturities, so an issuer repaying a commercial paper program would do so in a series of steps as the individual notes mature. However, since each note would have a maximum maturity of 270 days, an entire program could be repaid at the option of the issuer in not more than 270 days from the time the issuer decided to commence such a repayment. It is likely that an issuer planning to pay a program off in the near future would instruct its commercial paper dealer to issue the paper with short maturities as it rolls over, so that the issuer could retire the commercial paper quickly when it begins the repayment process.

As noted above under "The Mechanics of Commercial Paper" interest or discount is payable on each commercial paper note as it matures. During the construction period for a project, the interest payable can be "capitalized" by adding the amount of interest due on the maturing commercial paper to the amount of new paper being sold. If this approach is used, the principal amount of paper outstanding over time will increase as additional interest is capitalized (subject to the maximum authorized amount of notes permitted to be outstanding at any one time under the program).

Interest on tax-exempt debt generally cannot be capitalized following completion of the projects financed with commercial paper. At that point, the issuer must provide to the paying agent the interest due at the time each note matures. The paying agent then pays such interest to the investor together with the proceeds received from rolling over the principal amount of the commercial paper. Since the interest at that point is being paid by the issuer, and not by increasing the amount of paper being rolled over, the principal amount of commercial paper outstanding will stay constant after the projects are completed. That principal amount outstanding could either be reduced in the future if the issuer decides to repay some, or all, of the program, or increased if the issuer decides to undertake additional projects (which may require an increase in the authorized amount of the program).



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** David Sykes  
William F. Sherry, A.A.E.

**SUBJECT:** SEE BELOW

**DATE:** 04-04-11

Approved

Date

4/8/11

**COUNCIL DISTRICT:** Citywide

**SUBJECT:** NORMAN Y. MINETA SAN JOSÉ INTERNATIONAL AIRPORT –  
TAXIWAY W EXTENSION J-L PROJECT

## RECOMMENDATION

- a) Adopt a resolution authorizing the Director of Public Works to determine the lowest responsive and responsible bidder for the Taxiway W Extension J-L Project at the Norman Y. Mineta San José International Airport and to either: (i) award the contract to the lowest responsive and responsible bidder in an amount not to exceed \$11,500,000, contingent upon award and execution of an Airport Improvement Program (AIP) Grant from the Federal Aviation Administration (FAA); or (ii) reject all bids and re-bid the Project.
- b) Approve a contingency equal to fifteen percent of the award amount.

## OUTCOME

Approval of this item will allow the City to award and execute the contract within the timeframes needed to complete the work, minimizing the impact of construction on the operation of the Airport. Approval of a fifteen percent contingency will provide funding for any unanticipated work necessary for the proper completion and/or construction of the project.

## BACKGROUND

City Council approved a multi-year funding strategy for major airfield improvement projects in the current Capital Improvement Program. One of the projects included in this program is the extension of Taxiway W. Taxiway W, located on the west side of the Airport, is part of the Non-Terminal Area Improvement Program (NTAIP) and will provide a required connection to Runway 30L – 12R to support the development of new general aviation facilities. Further development of the west side for general aviation uses is anticipated to bring new jobs to the region, new tax revenue to the City, and to support the development of new businesses in San José.

The proposed project includes new construction of Taxiway W, from Taxiway J to Taxiway L as well as the strengthening and widening of existing cross Taxiway J from Taxiway W to Taxiway V for larger aircraft use. It also includes the conversion of Runway 11-29 to Taxiway W1 for the duration of the project. The project scope includes the removal of existing pavement, excavation and hauling, construction of new taxiways and shoulders, site grading, storm drainage, sanitary sewer, airfield signage and airfield lighting.

## ANALYSIS

The FAA awards discretionary AIP grants based on actual bids, as well as the availability of grant funds. For this project, staff will notify the FAA of the bid results and request the funding needed to award the contract. Under the recommended delegation of authority, award of the contract will be contingent upon the award and execution of an AIP Grant from the FAA sufficient to fund the project. Bid opening is scheduled for May 12, 2011.

For this reason staff is asking Council to delegate authority to the Director of Public Works for the award of this contract. Delegation would include the authority to decide any bid protests, to make the City's final determination as to the lowest responsive and responsible bidder, or to reject all bids and re-bid the project.

The specifications for the project will include the following process regarding bid protests:

1. Bid results and a Notice of Intent Regarding Contract Award to Apparent Low Bidder by the Director of Public Works will be posted on the Department of Public Works Bid Hotline.
2. All bidders will be e-mailed or faxed a copy of the Notice of Intent Regarding Contract Award and will have five working days to file a formal written bid protest.
3. The Director of Public Works will then decide any timely bid protests, including any issues of bidder responsiveness or responsibility and will award the contract after receipt of notice from the FAA that funding will be provided for the project.

Staff is requesting an increase in contract authority in excess of the current engineer's estimate due to the unique nature of the FAA AIP grant process, and the narrow time allowances from date of bid to contract award. If Council were to grant contract authority based on the current engineer's estimate of approximately \$9,900,000, and the lowest bid came in above that number, staff would have insufficient time within the FAA time constraints to return to Council, and the City would lose eligibility for FAA grant funds for the project.

This memo recommends that the Council grant the Director of Public Works contract authority of \$11,500,000 for this project. This figure comes from the City's Airport Capital Improvement Program filing with the FAA, and reflects the engineer's estimate at the time of that filing. This figure is also commensurate with the grant authority already delegated to the administration in a previous Council action. The engineer's estimate was reduced to the current amount subsequent to the date of the filing with the FAA, because project scope has been better defined and the bidding environment is now more favorable to project owners.

This recommendation preserves the City's ability to accept grant funding within the administration's existing authority, award the project at an amount higher than the engineer's estimate but within the grant amount, and to meet the requirements of FAA AIP grant conditions.

Staff recommends a 15 percent contingency for this project because of the uncertainty of underground utilities and the underlying soil conditions. Additionally, the project location is subject to changing security requirements that require coordination with the Transportation Security Administration (TSA) and the FAA. A 15 percent contingency should provide funding for any unanticipated work necessary for the timely completion of the project.

### **EVALUATION AND FOLLOW-UP**

No additional follow up action is expected at this time.

### **POLICY ALTERNATIVES**

*Alternative #1:* Council could elect not to delegate authority to the Director of Public Works.

**Pros:** This would preserve the Council's authority to make decisions as to the bids received.

**Cons:** The purpose of the delegated authority is to award the project as soon as possible so that work can begin in August. Staff plans to start the project in August to ensure the best opportunity to complete the first stage of the project before the inclement weather.

### **PUBLIC OUTREACH/INTEREST**

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater. **(Required: Website Posting)**
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**
- Criterion 3:** Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This memo will be published on the City's website for the April 26, 2011 Council Agenda.

### **COORDINATION**

This project has been coordinated with the Department of Planning, Building and Code Enforcement, the City Attorney's Office and the City Manager's Budget Office.



**BUDGET REFERENCE**

The table below identifies the appropriation and funds proposed to fund the agreement recommended as part of this memorandum.

| Fund #   | Appn # | Appn. Name             | Total Appn          | Amount For Contract | 2010-2011 Adopted Capital Budget | Last Budget Action (Date, Ord. No.) |
|--|--------|------------------------|---------------------|---------------------|----------------------------------|-------------------------------------|
| <b>Remaining Project Costs</b>                   |        |                        | \$                  |                     |                                  |                                     |
| <b>Current Funding Available</b>                 |        |                        |                     |                     |                                  |                                     |
| 520  | 5254   | Taxiway W Improvements | \$18,036,000        | \$7,978,410         | Page V-725                       | 2/08/2011 Ord.28888                 |
| 526  | 5254   | Taxiway W Improvements | \$3,910,000         | \$1,921,590         | Page V-725                       | 2/08/2011 Ord.28888                 |
| <b>Total Funding for Remaining Project Costs</b> |        |                        | <b>\$21,946,000</b> | <b>\$9,900,000</b>  |                                  |                                     |

**CEQA**

CEQA: Resolution Nos. 67380 and 71451, PP 11-037

/s/  
 DAVID SYKES  
 Acting Director  
 Public Works Department

/s/ Kimberly B. Aguirre for  
 WILLIAM F. SHERRY, A.A.E.  
 Director of Aviation  
 Airport Department

For questions please contact MICHAEL O' CONNELL, ACTING DEPUTY DIRECTOR, PUBLIC WORKS DEPARTMENT, at 408-975-7333.

MO:CM:el  
 Attachment