

RESOLUTION NO. 73251

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO SUBMIT APPLICATIONS TO THE FEDERAL AVIATION ADMINISTRATION TO IMPOSE AND USE PASSENGER FACILITY CHARGES FOR THE TERMINAL B BUILDING: NORTH CONCOURSE PROJECT IN THE AMOUNT OF \$495,095,000, TO AMEND VARIOUS APPROVED PFC PROJECTS BY MORE THAN 25% OF THE ORIGINAL APPROVED AMOUNTS AND TO AMEND VARIOUS COMPLETED PFC PROJECTS TO DECREASE THE ORIGINALLY APPROVED AMOUNT, FOR A NET INCREASE IN THE TOTAL PFC AUTHORITY IN THE AMOUNT OF \$501,611,612

WHEREAS, the Aviation Safety and Capacity Expansion Act of 1990 authorizes the Federal Aviation Administration (FAA) to grant airport operators the authority to fund eligible airport capital projects with Passenger Facility Charges (PFC's); and

WHEREAS, airports must apply to the FAA for approval before imposing or using PFC's and meet all requirements included in the PFC legislation and regulations; and

WHEREAS, PFC revenues are collected by the airlines and remitted to the airport imposing the charge; and

WHEREAS, on April 5, 2000, the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century was signed into law, enabling public agencies to increase the PFC charge level from \$3.00 to \$4.00 or \$4.50 per enplaned passenger; and

WHEREAS, to date, the Norman Y. Mineta San Jose International Airport ("Airport") has approval to impose and use a total of \$470,625,779 in PFC revenue and all outstanding

PFC authorizations have been approved by the FAA at the \$4.50 PFC collection level;
and

WHEREAS, on March 23, 2005, a number of changes to the PFC regulations were enacted, one of which is the new requirement to amend an approved PFC application if the total cost of any of the projects is in excess of 25% of the approved amount for that individual project; and

WHEREAS, it is now necessary to amend the following six (6) PFC projects that were completed several years ago with total individual projects costs in excess of 25% of the approved amounts, and to amend three (3) completed projects which were completed at a lower cost than the approved PFC amounts:

1. Six (6) Airport projects with total individual project costs in excess of 25% of the approved amounts are as follows:

a. Skyport Grade Separation	\$9,568,000
b. Taxiway Y Extension	\$7,538,612
c. Skyport Access to Airport Blvd.	\$270,000
d. Replacement of Passive Secondary Surveillance Radar	\$141,000
e. Noise Monitoring System Upgrade	\$44,000
f. Handi-Lift Replacement	<u>\$28,000</u>
Total	\$17,589,612

2. Three (3) Airport projects with total individual project costs lower than the approved amounts are as follows:
- | | |
|----------------------------------|-----------------------|
| a. Noise Remedy/Land Acquisition | (\$6,127,000) |
| b. Terminal Drive Improvements | (\$4,354,000) |
| c. Ewert Road Improvements | <u>(\$592,000)</u> |
| Total | (\$11,073,000) |

WHEREAS, this application and the amendments would increase the Airport's total approved collection authority to \$972,237,391, through an estimated charge expiration date of December 1, 2026;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT the City Manager is hereby authorized to submit applications to the Federal Aviation Administration to:

1. Impose and use Passenger Facility Charges for the Terminal B Building: North Concourse Project in the amount of \$495,095,000.
2. Amend various approved PFC projects by more than 25% of the original approved amounts with increase in the total cost of \$17,589,612.
3. Amend various completed PFC projects to reflect savings and to decrease the originally approved amount by \$11,073,000, for a net increase in the total PFC authority in the amount of \$501,611,612.

ADOPTED this 20th day of June, 2006, by the following vote:

AYES: CAMPOS, CHAVEZ, CORTESE, LeZOTTE, NGUYEN,
PYLE, REED, WILLIAMS, YEAGER; GONZALES

NOES: NONE

ABSENT: CHIRCO

DISQUALIFIED: NONE

RON GONZALES
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk