PUBLIC NOTICE
Passenger Facility Charge Application #8
San Francisco International Airport

December 28, 2017

Introduction

Pursuant to 14 Code of Federal Regulations ("CFR") Part 158.24, the San Francisco Airport Commission ("Airport Commission") is posting this public notice as part of the proposed action to be taken on the San Francisco International Airport's Passenger Facility Charge ("PFC") program described below:

- Submit a new Passenger Facility Charge Application #8 ("PFC #8")

In accordance with 14 CFR Part 158.24 the following information is provided in this public notice:

- Description and brief justification of projects (Section III);
- PFC level for each project (Section IV);
- Estimated total PFC revenue to be used for each project (Section IV);
- Proposed charge effective date and estimated charge expiration date (Section II);
- Estimated total PFC revenue for the application (Section II); and
- Name and contact information for the person to whom comments should be sent.

As required in 14 CFR Part 158.24, the Airport Commission will be accepting public comments on the proposed action contained in the attached document for thirty (30) days after the December 28, 2017 posting of this public notice.

Any comments on the proposed action in this public notice or requests for further information should be addressed to:

Ms. Tina Ko
Airport Grant Manager – Capital Finance
San Francisco International Airport
P.O. Box 8097
San Francisco, CA 94128

If there are questions regarding this public notice, please contact Ms. Terri Samonte at terri.samonte@flysfo.com.

I. Background - Overview of Airport PFC Approvals

The Airport Commission has imposed a PFC of $4.50 at the San Francisco International Airport (the "Airport") since 2001. The collection and use of PFCs to pay for Federal Aviation Administration ("FAA") approved capital projects and associated debt service has been a factor in controlling rates and charges at the Airport. The Airport Commission has received FAA's approval for six PFC applications and two amendments as follows:

Applications	FAA Approved PFC Level	Collection Period	Status	FAA Approved Amount
PFC #1[1]	-	-	Deleted	$0
PFC #2	$4.50	10/01/2001-11/1/2005	Closed	224,034,821
PFC #3 & #3a[2]	$4.50	11/1/2005-1/1/2017	Active	609,107,697
PFC #5 & #5a	$4.50	1/1/2017-10/1/2024	Active	741,744,636
PFC #6	$4.50	10/1/2024-3/1/2026	Active	141,075,864
PFC #7	$3.00	3/1/2026-2/1/2030	Active	319,710,719
Total Collection Authority				**$2,035,673,737**

[1]PFC #1 was terminated on January 21, 2004 due to the Airport's suspension of the Runway Reconfiguration project.
[2]PFC #3 is pending close out.

The Airport Commission has also posted a public notice regarding its intent to concurrently file an amendment to PFC Application #6. The proposed amendment would add approximately $76 million in PFC-eligible costs to the $141 million currently approved for collection for a new total amount of $217 million.

II. Description of PFC #8

The proposed PFC #8 will combine the $217 million in PFC #6, as amended, with the $320 million in the approved PFC #7, for a new combined authorized collection amount of approximately $537 million in order to provide for continuous collection of PFCs at the rate of $4.50 per enplaning passenger. The PFC revenues for PFC #8 will be used to pay debt service expenses associated with bonds that financed the PFC-eligible projects in PFC #6 and PFC #7, namely the Runway Safety Area program, Passenger Boarding Bridges for Boarding Area E, and the AirTrain Extension and Improvements project.

Currently, the Airport is collecting a $4.50 PFC per enplaning passenger under PFC #5 and is authorized to continue collecting a $4.50 PFC under PFC #6. However, the FAA approved PFC #7 at the $3.00 PFC level. By combining the $3.00 level approved in PFC #7 with the $4.50 level proposed PFC #6 Amendment, the air carriers would not need to change PFC collection levels from $4.50 to $3.00 and will continue with a $4.50 PFC collection with PFC #8. Subsequently, per FAA guidance, both PFC #6, as amended, and PFC #7 will be cancelled and replaced by a new PFC #8.

Collection at this level will shorten the estimated collection expiration date to March 1, 2029 as compared to February 1, 2030 that is currently approved under PFC #7. A $4.50 PFC level will collect faster than a $3.00 PFC level.

A summary of the PFC #8 proposed terms is as follows:

Application	**PFC Collection Level** (per eligible enplaned passenger)	**PFC Collection Period** (est. charge effective and expiration dates)	**Total Proposed Net PFC Revenue** (collection authority)
Proposed PFC #6 Amendment	$4.50	10/1/2024 – 7/1/2026	$217,000,000
PFC #7	$3.00	3/1/2026 - 2/1/2030	320,000,000
Proposed PFC #8	**$4.50**	**10/1/2024-3/1/2029**	**$537,000,000**

III. Projects Description and Justification in Proposed PFC #6 Amendment

Please Note: The following Description of the Project and Explanation of the Need for the Project remain unchanged from the FAA-Approved PFC #6 and PFC #7. The information is for reference only.

1. RSA Southfield Drainage Improvements (Design and Construction)

Description of the Project

This project was part of the Airport's RSA Program. This project provided for the design and construction of improvements to the South Field's drainage system required for future RSA developments, mandated by Congress. Modifications and improvements under this project included upgrading Storm Drain Pump Station-1 (SDPS-1) with new pumps, a new wet well, and associated electrical infrastructure; raising and replacing the existing cast iron outfall pipes from the station above high tide levels with new PVC pipes; and installing new catch basins, manholes, reinforced concrete pipe (RCP) and other related infrastructure modifications to collect, convey, and store the storm water flow from the South Field to the station. This project also included backfilling the South Detention Basin, the South Oxidation Pond, and adjacent canals; demolishing or filling existing culverts and associated utilities underneath the ends of Runways 1L and 1R and an abandoned fuel line near Taxiway "A"; and installing new utilities required by the project.

Explanation of the Need for the Project

This project implemented modifications to the South Field's drainage system necessary to allow for subsequent improvements to be made to the RSA of Runways 1R-19L and 1L-19R to comply with the new safety requirements mandated by Congress and the FAA. In addition to allowing for the RSA development, this project improved the surface drainage in the south field area, thereby reducing the risk of flooding of the runways and terminals, and made improvements to "first flush" characteristics improving storm water quality control.

2. RSA Southfield Substation "BR" Relocation (Design and Construction)

Description of the Project
This project was part of the Airport's RSA Program. This project provided for the relocation of South Field's electrical substation 'BR' and associated switching center outside of the taxiway object free areas at the ends of Runways 1L and 1R required for future RSA developments, mandated by Congress. The relocation of the existing substation is required to accommodate the future realignment of Taxiways "A", "A1" and "L" as a result of the new runway safety area requirements mandated by Congress. This project also included the demolition and removal of the existing substation and switching center, the construction, furnishing and installation of a new substation building and switchgear, and the installation of new 15kV cables, manholes, duct banks and associated equipment. Also included in this project were modifications to an existing parking lot including paving, striping, lighting and fencing affected by the relocation.

Explanation of the Need for the Project
This project involved the relocation of a main line electrical distribution substation to allow for subsequent improvements to be made to the RSA in the South Field of Runways 1R-19L and 1L-19R to comply with the new safety requirements mandated by Congress and the FAA. The relocation of the existing substation was required to accommodate the future realignment of Taxiways "A", "A1", and "L" as a result of the new RSA requirements mandated by Congress.

3. RSA Runway 10R Paving and Lighting (Design and Construction)

Description of the Project
This project was part of the Airport's RSA Program. This project provided for the design and construction of a new runway section at the 10R end of Runway 10R-28L and associated work in order to comply with the new safety area dimensional requirements at each runway end as mandated by Congress. The addition of this new runway section shifted the threshold 781 feet. This project also included the construction of a new entry taxiway for Runway 10R, the paving of the safety areas around and behind the 10R end, and improvements to the surrounding utility and electrical systems. Electrical modifications included the installation of runway and taxiway lights, entry, exit and location signs, runway distance remaining ("RDR") signs, and other electrical equipment required by the new alignments. This project provided for the design and construction of the infrastructure required for the installation of the Runway Status Lights ("RWSL") to be installed by the FAA. Specifically, infrastructure work covered the Take-off/Hold Lights ("THLs") and Runway Entrance Lights ("RELs") to be installed along the 10R centerline and portions of Taxiway "Q" and "K" centerlines respectively. Elements of the RWSL infrastructure included base cans, conduits, handholds, manholes, pads, duct banks to tie the system together and to control the building pads for each runway pair.

This project also provides for the modifications to the FAA NAVAID equipment including the relocation of the 28L localizer antennae and shelter and the 10R Precision Approach Path Indicator (PAPI) system and associated infrastructure.

Explanation of the Need for the Project
This project implemented improvements to the 10R end of Runway 10R-28L to comply with the new safety requirements mandated by Congress and the FAA. In addition, the project improved aircraft movement for take-off at the Runways 10L and 10R ends.

4. RSA Runway 28L & 28R Paving and Lighting (Design and Construction)

Description of the Project
This project was part of the Airport's RSA Program. This project provided for the design and construction of new runway sections at the 28R & 28L ends of Runways 10L-28R and 10R-28L and associated work in order to comply with the new safety area dimensional requirements mandated by Congress. The addition of these new runway sections shifted the thresholds 300 feet each. New striping was installed on both runways as a result of the threshold displacement. This project also provided for the necessary adjustments to the FAA NAVAID equipment associated with the modifications to Runways 10L-28R and 10R-28L. Such adjustments included the demolition and/or relocation of the existing glideslope infrastructure, the removal of an existing underground fuel tank, and the installation of piles and modifications to the 28L and 28R trestle structures to accommodate the installation of new medium intensity approach lighting system (MALSR) and high intensity approach lighting system with flashing lights (ALSF). This project also included drainage and grading of low areas in front of the glideslope between the runways to bring the safety areas affected into compliance with runway area drainage and grading standards.

This project also included the paving of the safety areas around and behind the 28R & 28L ends of Runways 10L-28R and 10R-28L, associated airfield marking, and improvements to the surrounding utility and electrical systems. Electrical modifications included the modifications to the runway and taxiway centerline and edge lights, the installation of new touchdown zone (TDZ) and RDR signs and associated paving. This project also provided for the design and construction of the infrastructure required for the installation of the RWSL to be installed by the FAA. Specifically, infrastructure work covered the THLs and RELs to be installed along the 28L, 10L and 28R centerline and portions of Taxiway "R", "D", "T", "E", "L", "P", "N", "F" and "C" centerline respectively. The RWSL infrastructure also covered the installation of the connecting ductbank for the 10-28s and to the control building pads. Elements of the RWSL infrastructure included base cans, conduits, handholds, manholes, pads, duct banks to tie the system together and to control the building pads for each runway pair.

Explanation of the Need for the Project
This project made improvements to the 28R and 28L ends of the Runways 10L-28R and 10R-28L necessary to comply with the new safety requirements mandated by Congress and the FAA. In addition, upgrades to FAA NAVAIDS and airfield lighting improved the usability of the runways.

5. RSA Runway 19L & 19R and 1L & 1R Paving and Lighting (Design and Construction)

Description of the Project

This project was part of the Airport's RSA Program. This project provided for the design and construction of the modifications required to relocate the thresholds and raise the existing overrun pavement to meet the new grades required for the installation of the Engineered Material Arresting System ("EMAS") at the 19L and 19R ends of Runway 1L-19R and 1R-19L. Associated with the pavement work was the removal and relocation of center line and edge lights, distance remaining signs, striping and pavement markings. These modifications caused the Runways and Taxiways "E" and "L" to become disconnected. As a result, this project also provided for the reconfiguration and relocation of both Taxiways "E" and "L" and associated taxiway modifications including the construction of the relocated interconnecting Taxiway "E" required to meet the new thresholds of Runways 19R and 19L. The future unused portions of Taxiways "E" and "L" were abandoned in place and the project provided for the removal of the markings, signage, electrical equipment, fixtures, wires and other associated items.

This project also provided for the modifications to the FAA NAVAID equipment including the relocation of the 19L glideslope and associated structure and utilities, 19L Runway Visual Range (RVR) system, and 19R and 19L Precision Approach Path Indicator (PAPI) systems. This project also provided for the design and construction of piles and associated work to expand the existing pier and trestle system on Runway 19L to accommodate the installation of new MALSF lights. Modifications to the Airfield Lighting Control Monitor System necessary to accommodate the new lighting installation were also be part of this project.

This project also provided for the design and construction of the infrastructure required for the installation of the RWSL to be installed by the FAA. Specifically, infrastructure work covered the RELs installed on portions of Taxiways "L" and "C" centerlines, THLs and RELs installed along the 1R and 1L centerlines and portions of Taxiway "M", "H", "G", "F1", and "F" centerlines. The RWSL infrastructure also covered the installation of the connecting ductbank for the 1-19s to the junction handhole south of Runway 10-28 and from the north of Runway 10-28 to the control building pads. Elements of the RWSL infrastructure included base cans, conduits, handholds, manholes, pads, duct banks to tie the system together and control the building pads for each runway pair.

This project also provided for the relocation of the thresholds at the ends of Runways 1L and 1R to accommodate the new RSA and associated EMAS. This project provided for the necessary modifications to the existing 1R pavement and the construction of new pavements in unpaved areas in front of 1L. Installation of EMAS at these locations was accomplished under this project. At 1L, the EMAS was installed where the original detention pond was located and for 1R, the EMAS was installed over the original Taxiway "A" alignment. Associated with the pavement work was the removal and relocation of center line and edge lights, distance remaining signs, striping and pavement markings. Connecting Taxiways "A" and "A1", as well as parallel Taxiways "B" and "L" were impacted by the creation of the new runway safety areas. As a result, this project reconfigured and relocated Taxiways "A", "A1", "B", and "L" and associated taxiway modifications including the construction of the relocated interconnecting Taxiway "M" required to meet the new thresholds of Runways 1R and 1L. Taxiways "M1", "A2", and "L2"

were added at the south end. The unused portions of these taxiways were abandoned in place and the markings, signage, electrical equipment, fixtures, wires, and other associated items were removed.

Also included in this project was the design and construction of a 250 feet long section of vinyl seawall and the relocation of a portion of the Vehicle Service Road along the west end of Taxiway "L".

Explanation of the Need for the Project
The project made improvements to the 1L, 1R, 19L, and 19R ends of Runway 1R-19L and 1L-19R necessary to comply with the new safety requirements mandated by Congress and the FAA. The work included the installation of EMAS to achieve the level of safety required by Congress and the FAA. In addition, the project upgraded the FAA NAVAIDS and the airfield lighting for improved runway usage.

6. RSA EMAS Design

Description of the Project
This project was part of the Airport's RSA Program. This project provided for the design of a soft-ground arrestor system in the safety area of each end of Runways 1R-19L and 1L-19R in accordance with FAA Advisory Circular (AC) 150/5220-22B, Engineered Material Arresting System (EMAS). This system provides a safety enhancement at the ends of these runways where it has been determined that the construction of a standard runway safety area is impracticable. This system is designed to quickly stop aircraft that overrun the end of a runway. Support services included planning, design development through issuance of construction documents, performance modeling to evaluate the correct arrestor bed configuration, and on-site support services during construction to ensure the contractor installed the system in full conformance with all FAA criteria and standards.

Explanation of the Need for the Project
This project provided for the design of EMAS for the two Runways 1-19 projects for improved level of safety in compliance with the Congressional mandate. Recognizing the difficulties associated with achieving a standard safety area at each end of the Runways 1-19, the FAA under Advisory Circular 150/5220-22B allows for the use of an EMAS to meet runway safety area standards if the airport is unable to accommodate safety area standards due to existing conditions that cannot be overcome due to natural or man-made obstacles and environmental constraints without impacting the current or planned fleet mix at the airport.

7. RSA EMAS Material Procurement – Runways 1R-19L & 1L-19R

Description of the Project
This project was part of the Airport's RSA Program. This project provided for the manufacturing, procurement, and transportation of a soft-ground arrestor system designed in accordance with FAA Advisory Circular (AC) 150/5220-22B, EMAS that was installed in the safety area of each end of Runways 1R-19L and 1L-19R. The installation of the EMAS was accomplished under Project 5 – RSA Runways 19L, 19R, 1L, & 1R Paving and Lighting (Design

& Construction). The EMAS provides a safety enhancement at the ends of these runways where it has been determined that the construction of a standard runway safety area is impracticable. This system is designed to quickly stop aircraft that overrun the end of a runway.

The approximate lengths of the 4 EMAS beds are as follows:

Runway End	**Dimensions**
1R Departure End	227 ft x 413 ft
1L Departure End	227 ft x 409 ft
19R Departure End	227 ft x 437 ft
19L Departure End	227 ft x 373 ft

Explanation of the Need for the Project
This project provided for the fabrication and transportation of EMAS for the two Runways 1-19 projects for improved level of safety in compliance with the Congressional mandate. Recognizing the difficulties associated with achieving a standard safety area at each end of the Runways 1-19, the FAA under Advisory Circular 150/5220-22B allows for the use of an EMAS to meet runway safety area standards if the airport is unable to accommodate safety area standards due to existing conditions that cannot be overcome due to natural or man-made obstacles and environmental constraints without impacting the current or planned fleet mix at the airport.

8. RSA Environmental Assessment (EA) and Schematic Design (SD)

Description of the Project
This project was part of the Airport's RSA Program. The Environmental Assessment ("EA") and Schematic Design ("SD") required to assess potential environmental impacts related to the implementation of the Airport's RSA program were prepared under this project. The EA and the SD were prepared in accordance with Section 102(2)(c) of the National Environmental Policy Act of 1969 ("NEPA") and Section 509(b)(5) of the Airport and Airway Improvement Act of 1982, as amended. Also included in this project was the preparation of a Mitigated Negative Declaration and Initial Study (MND/IS) pursuant to the California Code of Regulations, Chapter 3 of Title 14 and Chapter 31 of the San Francisco Administrative Code. Preparation of schematic design (30% design) for the RSA Program was used for both environmental requirements (NEPA, mitigation, permitting) and as basis for subsequent 70%, 95%, and 100% design.

Explanation of the Need for the Project
This project provided for the development and preparation of the EA document required for FAA's approval of the RSA Program and to obtain both federal and state environmental permits to allow for the RSA work to proceed.

9. RSA Wetland Mitigation Program

Description of the Project
This project provided for the implementation of a wetland mitigation program to address the impacts to 3.68 acres of jurisdictional areas resulting of the Airport's RSA program implementation.

Explanation of the Need for the Project
This project allowed the Airport to provide for the mitigation measures mandated by the EA as part of the permitting and approval process.

10. Passenger Boarding Bridges Replacement in Boarding Area E

Description of the Project
In the spring of 2011, American Airlines vacated their gates and facilities at Terminal 3, Boarding Area E ("BAE"), moving their entire operation to Terminal 2. The City and County of San Francisco renovated BAE and moved United Airlines to the new gates in January 2014. BAE was comprised of nine (9) gates including three (3) apron drive passenger boarding bridges ("PBBs") and six (6) obsolete fixed pedestal PBBs. This project replaced a total of ten (10) PBBs at BAE including the nine (9) gates and one (1) additional gate that was permanently relocated from the frontal area of Terminal 3 East, specifically Gate 68, during the renovation of BAE. The project installed ten (10) new bridges instead of seven (7) new and three (3) refurbished, as initially planned, as a result of a condition assessment survey that revealed the poor conditions of some of the existing bridges and determined that it was not cost efficient to refurbish them.

Explanation of the Need for the Project
This project provided for the replacement of nine (9) fixed pedestal PBBs with new apron driven PBBs and one new boarding bridge at Gate 68 as part of the renovation of Boarding Area E at Terminal 3. The new bridges and attached parts replaced 20-year old equipment that had reached the end of its useful life.

11. AirTrain Extension and Improvements Project

Description of the Project
The AirTrain Extension and Improvements Project ("Project") consists of the design, construction, and installation of an extension to the existing elevated guideway, two new AirTrain stations, and the expansion and upgrade of the existing AirTrain system.

1) **Construction of Elevated Guideway Extension:** This element of the Project will involve the construction of an approximately 1,900-foot extension of the elevated guideway for the AirTrain "Blue Line" to the north from the Rental Car Center ("RCC") to Lot DD. Lot DD is the location of the existing Long Term Parking Garage, surface parking Lot DD, United Airlines employee parking, the SFO Cell Phone Waiting Lot, ground transportation vehicle staging areas, and the site for a new parking facility and future proposed RCC.

2) **Construction of Two New AirTrain Stations:** This element of the Project includes construction of two new four-car stations at Lot DD and at the selected location of the Airport Hotel, which will be constructed during the same time as this Project. Both stations will be constructed to provide shelter and above-ground access to and from the Long Term Parking Garage facilities and the new Airport Hotel.

3) **Upgrade and Expansion of AirTrain System:** This element of the Project will include the design, installation, and delivery of the following:
   - Running surfaces, guidebeams, guidebeams supports, guidebeam switches, and emergency walkways and lighting will be designed and installed on the guideway extension from the RCC to Lot DD.
   - Platform barrier walls, emergency egress doors, sliding door panels, and door thresholds will be provided and installed at each of the new AirTrain stations.
   - Three new AirTrain vehicles and the retrofitting of up to 38 existing vehicles will be provided.
   - The automatic train and central controls, power rails and electric substations, and the communications system will be upgraded and installed.

This project would be funded with Airport Revenue Bonds. The Airport intends to request PFC reimbursement for all of the capital costs, bond financing and interest costs for this project, with the exception of the allocable costs related to the Airport Hotel Station.

Explanation of the Need for the Project
The development of this AirTrain extension would achieve a number of objectives:

1. Reduce vehicle travel and congestion on the terminal roadways by providing direct access via AirTrain to and from the terminal complex;
2. Generate capital project savings through eliminating the requirement for ten replacement buses ($6.5 million) currently approved in the Capital Plan;
3. Generate operating cost savings and efficiency through eliminating two buses ($1.3 million) currently providing service to the Long-Term Garage;
4. Generate operating cost savings through eliminating 87,000 Long-Term Parking Shuttle bus trips each year; and
5. Generate positive cash flow beginning with the first year the AirTrain Extension is activated.

The current bus system may not be able to accommodate the additional passenger loads once the new long term parking garage is built. Additional buses will need to be purchased and the cost to operate/maintain the shuttle bus service may exceed operational cost of AirTrain over an extended period of time. Continuing to use existing shuttle bus service will forfeit the cost savings associated with the extension of the AirTrain to Lot DD.

The existing AirTrain people mover system was planned and built between 1994 and 2003 and serves all Airport terminals, parking garages, the BART station, West Field Road, and the Rental Car Center. As the Airport is starting the design and construction of the Long Term Parking Garage No. 2 and the Airport Hotel, it is now prudent to implement the AirTrain Extension to Lot DD and build the Long Term Parking and Hotel AirTrain stations.

IV. Summary of PFC Funds in PFC #8

PFC level per project and a summary of the PFC funds in the proposed PFC #8 are shown below:

Project Number	Project Name	Approved PFC Level	New Proposed PFC # 8 Application		
			Bond Capital	BF&I [1]	Total PFC Funds
1	RSA Southfield Drainage Improvements	$4.50	$ 4,528,138	$ 8,398,243	$ 12,926,381
2	RSA Southfield Substation BR Relocation	$4.50	1,006,944	1,822,064	2,829,008
3	RSA Runway 10R Paving and Lighting	$4.50	4,724,519	8,762,467	13,486,986
4	RSA Runway 28L & 28R Paving and Lighting	$4.50	3,526,554	6,540,626	10,067,180
5	RSA Runway 19L&19R and 1L&1R Paving and Lighting	$4.50	45,405,009	63,175,487	108,580,496
6	RSA EMAS Design	$4.50	420,000	621,126	1,041,126
7	RSA EMAS Material Procurement	$4.50	11,216,151	16,475,712	27,691,863
8	RSA Environmental Assessment and Schematic Design	$3.00	475,506	703,213	1,178,719
9	RSA Wetland Mitigation Program	$4.50	5,808,343	9,812,633	15,620,976
10	Passenger Boarding Bridges Replacement	$3.00	11,002,663	12,663,419	23,666,082
11	AirTrain Extension Improvements Project	$3.00	143,269,270	176,441,449	319,710,719
	Total		$231,383,097	$305,416,439	**$536,799,536**

[1] *BF& I – Bond Financing and Interest*