

Staff Report

OVERVIEW OF AMES MUNICIPAL AIRPORT IMPROVEMENTS

February 10, 2015

The City of Ames has operated a Municipal Airport since August 1943. The most recent capital investment for administrative uses at the airport, other than projects dealing with the runways and taxiways, was made in 1972 when the existing terminal building was constructed by Goodrich Aviation Company, the Fixed Base Operator (FBO) at the time.

The existing terminal building was completed and granted to the City as part of the agreement to lease the land on which the terminal was built. It should be noted that the original lease for the terminal building was for a 20 year period ending in October 1992. In July of 1997 the terminal underwent a major renovation, and has remained essentially static in that state. It has been approximately 18 years since the last major investment was made to the terminal facility.

The airport is again in need of major improvements, since met and unmet air transportation needs exceed the airport's existing capacity. This report provides background on the major actions now underway to address those needs.

TIMELINE & PENDING ACTIONS

Work on the planned terminal area improvements is anticipated to begin in early 2015. Initial steps include site grading, utilities, and parking areas under an FAA grant which will utilize all of the \$450,000 in federal entitlement funds granted to the Ames Airport. This initial project will prepare the area and set the building elevations to facilitate construction of the storage hangar in 2015 and construction of the terminal soon thereafter. Throughout the design and construction of the hangar, the City's design team (comprised of Bolton & Menk and City staff) will work with the third party constructing the hangar to ensure that all aspects of the project are in accordance with FAA standards and Municipal Code requirements.

An estimated timeline for the terminal area project is provided below:

AMES MUNICIPAL AIRPORT - TERMINAL / HANGAR FACILITY TIMELINE

	2015												2016				
	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	
Amend Scope and Approval	█																
Meet with Stakeholders to Discuss Schedule	█	█															
Preliminary Footprints Established	█	█															
Preliminary Aesthetics Established	█	█															
Design of Parking and Utility Relocations		█	█	█	█												
Bid FAA-Funded Project (Parking and Utilities)					█	█											
FAA Construction							█	█	█	█							
Hangar Construction				█	█	█	█	█	█								
Design of Terminal		█	█	█	█	█	█	█	█	█							
Terminal Construction										█	█	█	█	█	█	█	█
Electrical Vault Construction											█	█					
Demolition of Old Terminal																	█

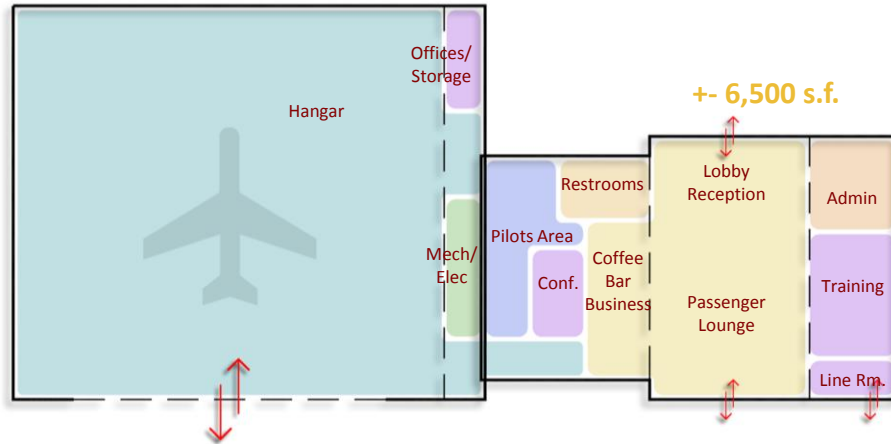
In addition to the terminal building project, the Airports Improvements program of the CIP also identifies projects affecting the “airside” of the airport. In 2015/16 a minor rehabilitation of a taxiway segment is planned at a cost of \$222,000. Then, starting in 2016/17, various steps will begin for an expansion of Runway 01/19 (approach 01) to an ultimate length of approximately 8,000 feet. Therefore, in 2016/17 the CIP includes a runway justification report for \$180,000 and an update to the airport master plan. The current master plan is dated December, 2008. In 2017/18 the environmental assessment and engineering design report for the runway extension will total \$100,000. In 2018/19 the land acquisition phase follows in the amount of \$2,400,000. This includes all land for the physical runway and all of the runway protection areas as required by the FAA.

Not shown in the 5-year CIP are the remaining steps to grade the extension area (FY 2021, \$1,800,000), relocated portions of South Riverside Road that would be in the runway protection zones (FY 2023, \$1,400,000), and finally the paving of the extension (FY 2025, \$4,500,000). It should be noted that all projects for the facilities listed above on the airside of the airport are eligible for 90% funding each year under the FAA’s discretionary program for general aviation airports. These are ongoing investments in the airport that will be evaluated each year during the CIP and budgeting processes. Therefore, they are subject to change in scope and timing depending on the availability of local and federal funding.

PLANNED TERMINAL AREA IMPROVEMENTS

The new terminal building will have the following program elements: passenger lounge for 40-50 people, conference room for 6-8 people, coffee bar, lobby, reception area, car rental area, airport administration area, kitchenette, line room (shop space for workers and equipment to tie-down aircraft), business center, training area, public toilet rooms, pilot lounge with flight plan/weather station, pilot toilet/shower room, nap room, pilot kitchenette/storage area, mechanical/ electrical/communications rooms, storage/janitor room, and building circulation areas. Below is a conceptual layout that was presented to City Council on December 18, 2012.

+/- 12,000 s.f.



It should be noted that all aspects of the size and configuration of these internal spaces are able to be adjusted during the design process. The graphic is only intended to illustrate the size and scope of services being providing by this project. This flexibility is also applied to the location of the new terminal facility on the airfield itself. Below is an aerial photo of the designated land at the airport to be used for the new facility.

Key elements to consider when selecting the location of the building's footprint will be its connection to the apron and parking areas of the airport, and the visual sightlines created not only for those working in the terminal building to be able to monitor airside operations of the runways, but also for those incoming pilots who land and taxi up to the terminal. This is also true for customers entering the airport from the street side. By moving the terminal to the proposed location, it will be one of the first buildings seen as drivers enter the airport complex. All of this will help connect the greater Ames community with those who use the airport.



ISU FUNDING AGREEMENT

The original capital improvement project for the new terminal and aircraft storage hangar was based on a three-way division of financing, with the City, Iowa State University and the private sector all contributing equal shares. Unfortunately, ISU and the private sector were unable to secure such a high level of funding.

After extensive discussions with the University and the private sector, an agreement has now been reached whereby ISU will arrange for a private, third party to construct an aircraft storage hangar approximately 11,500 square feet in size, and for the completed hangar to be donated to the City. Funding for that portion of the project will be a combination of local private funding and private supporters of the ISU Research Park. This arrangement is included in the update project sheet in the 2015/20 CIP.

The agreement with ISU also confirms the City's intention to issue \$867,000 in General Obligation (G.O.) bonds to finance site improvements and the terminal construction. The City will also issue approximately \$943,000 in GO bonds to complete the terminal improvements. It is anticipated that additional Fixed Base Operator (FBO) revenues from the expanded airport facility should cover the debt service on this latter amount. However, the agreement commits ISU to backfill any shortfall in debt service costs over the 20 year repayment term of that debt.

ARCHITECTURAL & ENGINEERING CONTRACT FOR TERMINAL & SITE IMPROVEMENTS

Bolton & Menk, Inc. was originally hired on December 7, 2012 to create a conceptual design that included options and recommendations for both the size and quality of a new terminal facility. The cost of their initial work was covered using City Council contingency funds. After the firm's December 18, 2012 presentation of conceptual design alternatives, the City Council directed staff to include a gateway style terminal building with attached hangar into the CIP. The project was then included into the City's airport improvements program. The next step was for staff to conduct a formal request for qualifications (RFQ).

Staff initiated an open RFQ process in November of 2013 in accordance with the City's purchasing policies. That process resulted in the selection of Bolton & Menk to serve as our airport consultants on the terminal area improvement project. The City's purchasing policies require consultant selections to include cost as a criteria for selection unless otherwise required by Federal or State requirements. In this case, however, because the project includes federal entitlement funds, the FAA specifically prohibits the City from asking for cost during the selection process. The cost may only be determined after a consultant has been identified as the most qualified and the City enters into negotiations for a scope of services and fee with that consultant.

The scores of that request for qualifications process are shown below:

Airport Consultant	Average Score
Bolton & Menk, Inc.	90.7
Foth Engineering	80.7
Heery International	69.0

In order to meet the unique design and timing needs of this project and its various phases, staff asked Bolton & Menk to draft two separate design contracts. The first is for the site work, including elements of design and construction inspection that meet all FAA requirements. The second is for the terminal building, and includes all of the stakeholder meetings, architectural design, and construction inspection.

As seen in the timeline above, this project is anticipated to be kicked off with an initial design discussion with our airport users and community stakeholders. The purpose of this initial meeting is to set the ultimate location of the terminal's footprint and basic design elements of the project so the City's design team can give guidance necessary for the private sector to build a hangar that can be seamlessly integrated into the terminal building.

It should be noted that the design for the terminal building will occur from March 2015 through October 2015. During this eight month time period, the design team will hold several additional stakeholder meetings at critical stages of the design. This ongoing process of design input and refinement is intended to establish the best layout and look possible for the terminal building within available funding. This will be done while keeping in mind that this project will serve as an important gateway to the Ames community.

Due to the complexities involved in administering FAA projects, aviation improvement projects like this typically have 15-20% of the project cost for design and inspection. This equates to an amount for design services of approximately \$440,000 (\$180,000 for site design, and \$260,000 for the terminal).

The two design contracts are anticipated to be before City Council for review and approval at the February 24 meeting. Currently the design contracts are under review by the City's legal staff, and are also awaiting final comment from engineering division staff at the FAA's Central Region offices in Kansas City, KS.

FBO REQUEST FOR PROPOSALS

In addition to the physical improvements at the airport, another key element in the airport's success is the Fixed Base Operator (FBO). The City contracts with a FBO to provide oversight to the general operations at the airport. The FBO's responsibilities that are deemed mandatory services include flight training, aircraft maintenance and repair (including jet aircraft), aircraft charter service, aircraft rental service, aircraft fuel (serviced by truck) and lubricant sales, aircraft crew car service, aircraft hangar rental for hangars owned by the City, operation of food and beverage vending machines, etc. Additional services may include winter and summer maintenance, automobile rental services to airport users, aircraft sales, special events at the airport, and any other

customer services that may be determined during the stakeholder meetings or the FBO solicitation process.

In recent years these FBO contracts have been for five year periods of time. Given the uncertain timing surrounding the planned terminal and hangar improvements, however, the current agreement with Hap's Air Service has been extended three times since June 30, 2012. It was anticipated that the agreement would be extended until arrangements for the terminal and storage hanger were confirmed, after which a new Request for Proposals (RFP) would be issued.

Given the expanded facilities that will soon be available at the airport, it is hoped that a number of firms providing FBO services will submit proposals. Staff will reach out to potential firms in the region to encourage their participation. The City's existing FBO will also be eligible to submit a proposal.

Staff anticipates that the RFP will be developed this coming spring. By late summer staff plans to have a recommendation to City Council for selection of the FBO, and the FBO's duties would begin in the autumn.

NEXT STEPS

At the February 10 City Council meeting, staff is bringing recommendations that Council enter into the funding agreement with ISU. In addition, during the budget approval portion of the meeting, Council will take action on including both the abated and unabated G.O. debt in the City's 2015/16 Budget.

Staff hopes to have the design contracts with Bolton & Menk ready for Council action on February 24, subject to review and approval from the FAA.