

COUNCIL ACTION FORM

**SUBJECT: 2015/16 AIRPORT IMPROVEMENTS PROGRAM –
AIRPORT TERMINAL BUILDING**

BACKGROUND:

The Airport Improvements Program in the City’s 2015/16 Capital Improvements Plan includes a project to construct a new terminal building, itinerant hangar, and related site improvements at the Ames Municipal Airport.

In accordance with an agreement between the City and Iowa State University, the itinerant hangar is being constructed using private and University resources. A ribbon cutting for the new hangar is tentatively scheduled for October 6, after which the City will assume ownership of the hangar.

The most recent budget for the terminal building portion of the project is as follows:

<u>Revenues</u>		<u>Projected Expenses</u>	
G.O. Bonds	\$ 867,000	Site Design	\$ 160,000
Bond (Abated) ¹	\$ 943,000	Site Construction	\$ 744,580
Federal	\$ 600,000	Terminal Design	\$ 266,700
State	\$ 150,000	Terminal Fixtures/Furnishings	\$ 282,400
ISU	\$ 250,000	Terminal Construction	\$ 1,856,320
Hotel/Motel Tax	\$ 250,000		\$ 3,310,000
AEDC	\$ 250,000		
	\$3,310,000		

¹ The principal and interest payments on these bonds will be abated with increased revenue from the new FBO management agreement. Any shortfall will be made up by ISU.

It should be noted that the updated revenues shown above were approved by City Council on October 27, 2015 after cost estimates for the terminal building came in higher than projected. At that time the City, Iowa State University and the Ames Economic Development Commission each committed an additional \$250,000 to the project in order to proceed with the 6,970 square foot building.

Bolton & Menk and Alliance, the City’s civil engineers and airport architects, completed plans and specifications for this contract with a base bid consisting of the terminal building plus minor site improvements, and an alternate bid package for enhanced aesthetic features. If bids for the overall project budget allow for these enhancements, one or more bid alternate items may be chosen. The engineer’s estimate is \$1,829,850 for the building and \$282,400 for fixtures/furnishing for the base bid (which is \$26,470 below the maximum budget) and \$61,997 for the bids alternates. A summary of estimated costs for the bid alternates is shown below:

Bid Alternates for Project Enhancements

Bid Alternate No. 1: Shadow Box Inserts at Curtain Wall	\$11,131
Bid Alternate No. 2: Clerestory Curtain Wall	\$9,366
Bid Alternate No. 3: Pendant Light 'P1A'	\$25,000
Bid Alternate No. 4: Foundation Drains / Subdrains	\$11,000
Bid Alternate No. 5: Steel Fencing in Lieu of Vinyl Coated Chain-Link	\$5,500
Total Bid Alternates	\$61,997

The new Ames Airport Terminal Building was designed with help from an Airport stakeholder focus group, which included representatives from Iowa State University, the ISU Research Park, local businesses, and airport users and advocates. The group helped guide the direction of the terminal building design, spaces and services within the facility, and how this new building will improve how the community is first represented to those who visit Ames by air.

Staff has conducted an initial review of the project's site requirements compared to the City's own development standards and building codes that could reasonably be included in the project. Further effort is needed before staff can make a final determination on which standards may need to be waived, deferred, or installed as part of the project. Standards in question include sidewalks along the frontages of the airport property, a sidewalk from the terminal out to the street, and various landscaping standards that are either impracticable or conflict with FAA safety policies or other minimum operating standards at the Airport. Staff will bring a summary of these items with recommended actions to City Council at the time of bid award.

Parking availability around the terminal was given specific attention, and is being increased from 40 to 57 stalls. The number was determined through feedback from Airport stakeholders as well as part of the justification to the FAA for the Federal grant used to pay for the site improvements. This change will help meet the growing number of customers at the Airport.

Stormwater volume and quality are handled regionally across the whole Airport, which is a greater effort by staff than just the area associated with the new terminal building construction. For example, the Tea Garden Drainage Study identified projects that have been directly coordinated with the overall stormwater management of the Airport property.

As was noted above, the private sector raised money to commission the construction of a 95' x 120' (11,400 square foot) itinerant hangar adjacent to the new terminal building that will be donated to the City of Ames. This will provide a significant increase to the service level and quality of facilities at the City's Airport. This hangar was a major need identified by both our Airport users group and in the long range planning effort for the Airport. The hangar building project was made possible through efforts of the University and the Ames Economic Development Commission.

Fixed Base Operator Selection Process:

The provision of these new airport facilities is a key factor in the City's efforts to identify a new Fixed Base Operator (FBO). To that end, an FBO Selection Advisory Committee comprised of City staff, Iowa State University staff, aviation users, local developers and business representatives was established by the City Manager. Staff recently completed an open solicitation process for a new 5-year FBO management contract in which the advisory committee reviewed proposals from three Iowa based FBO's. Each FBO was brought in for on-site interviews to meet with the advisory committee members and to discuss what their business can do for Ames and the future of the Airport, focusing on how they could be a partner in making both the Airport and the greater Ames community more successful.

The advisory committee is currently finalizing a recommendation that City Council direct staff to work with one firm to negotiate an FBO contract. It is anticipated that this recommendation will be brought to City Council at the August 23rd meeting. At the September 13th Council meeting, staff then plans to bring back both the negotiated FBO contract and the report of bids for the Terminal Building construction for Council to consider and act upon together.

ALTERNATIVES:

1. Approve preliminary plans and specifications for the 2015/16 Airport Improvements Program (Terminal Building) and establish September 7, 2016, as the date of letting and September 13, 2016, as the date for report of bids.
2. Do not approve this project.

MANAGER'S RECOMMENDATION:

Approving these plans and specifications will allow the Terminal Building project to go out for bids, thereby facilitating construction to begin this fall. It will also allow the report of bids to coincide with the finalization of the FBO selection process. This should ensure that this improvement process continues forward with a new Terminal Building being completed in 2017.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1 as described above.