

**COUNCIL ACTION FORM**

**SUBJECT: AIRPORT TERMINAL BUILDING AND HANGAR PROJECT**

**BACKGROUND:**

The City's FY 2015-2020 Capital Improvements Plan (CIP) includes a project to construct a new terminal building, itinerant hangar, and related site improvements at the Ames Municipal Airport. The current budget for the Terminal Building portion of the project is as follows:

<b><u>Revenues</u></b>		<b><u>Expense</u></b>	
G.O. Bonds	\$867,000	Site Design	\$144,800
Bond (Abated) <sup>1</sup>	\$943,000	Site Construction <sup>2</sup>	\$744,000
Federal	\$600,000	Terminal Design	\$266,700
State	\$150,000	Terminal Construction (estimated)	\$2,154,500
ISU	\$250,000		\$3,310,000
Hotel/Motel Tax	\$250,000		
AEDC	\$250,000		
	\$3,310,000		

1. Abated with increased revenue from FBO management agreement and backed by ISU.
2. Updated cost after savings in the field, original cost was \$772,000.

On July 28, 2015, the City of Ames accepted the first \$450,000 in federal grants as part of the approval for the site work associated with the Terminal Building and Hangar project. This \$450,000 represented 3-years of federal entitlements that were saved up over time for the project. The updated budget reflected a total of \$600,000 in federal funding; this will commit a fourth and final \$150,000 in entitlement funds.

**ALTERNATIVES:**

1. Approve the Federal grant for an additional \$150,000 for the Airport Terminal Building and Hangar Project.
2. Reject the Federal grant, and direct staff to identify an alternative funding source.

**MANAGER'S RECOMMENDED ACTION:**

By approving this grant the City of Ames will secure the final federal funding identified for the new Terminal Building and Hangar project, thereby allowing the project to move forward on schedule for construction beginning this year.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative #1 as shown above.