

**COUNCIL ACTION FORM**

**SUBJECT: 2015/16 AIRPORT IMPROVEMENTS PROGRAM (TERMINAL BUILDING SITE - PHASE 2 UTILITIES)**

**BACKGROUND:**

The Airport Master Plan for the Municipal Airport examines all the needs of the airport and recommends improvements to keep the infrastructure in safe condition. Each year the City submits a copy of the identified improvements requesting Federal Aviation Administration (FAA) funding to the Iowa Department of Transportation (DOT). These requests are then forwarded to the FAA for consideration.

The City's 2015/16 Airport Improvements Program of the Capital Improvements Plan (CIP) includes a project to construct a new terminal building, itinerant hangar, and related site improvements at the Municipal Airport. On July 28, 2016, the City was notified that FAA grant funding for this federal fiscal year is available. The official and public notification that the FAA has allocated funds for this project will be by congressional release. **This is the final grant for \$150,000, meaning that the City will now have secured all \$600,000 in Federal funding that was anticipated in the budget for the Terminal Building project.**

The site construction project was awarded on August 8, 2015 using \$450,000 in FAA funding for a construction cost of \$772,499 and engineering cost of \$160,000 for a total project cost of \$932,499. On February 23, 2016, City Council approved change orders 1 through 4 that reduced the project costs by \$28,469. Therefore, the total project cost is currently \$904,030. The FAA portion of this project is \$600,000 (66%), and the City's matching share is \$304,030 (34%). The local share will come from the bonds issued for the overall Terminal Building project.

The overall budget and estimated expenses for the Terminal site work and building structure portions are as follows:

<b><u>Revenues</u></b>		<b><u>Expenses</u></b>	
G.O. Bonds	\$ 867,000	Site Design	\$ 160,000
Bonds (Abated)	\$ 943,000	Site Construction	\$ 744,030
Federal	\$ 600,000	Terminal Design	\$ 266,700
State	\$ 150,000	Terminal Construction (Est.)	<u>\$ 2,139,270</u>
ISU	\$ 250,000		\$ 3,310,000
Hotel/Motel Tax	\$ 250,000		
AEDC	<u>\$ 250,000</u>		
	\$ 3,310,000		

**ALTERNATIVES:**

1. Accept the FAA Grant for the 2015/16 Airport Improvements Program (Terminal Building Site - Phase 2 Utilities) and certify that the City has identified matching funds of at least \$304,030.
2. Reject the approval of the project.

**MANAGER'S RECOMMENDED ACTION:**

By approving this final grant for \$150,000 the City will have secured all \$600,000 in Federal funding that was anticipated in the budget for the Terminal Building project.

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