

COUNCIL ACTION FORM

SUBJECT: AIRPORT ITINERANT STORAGE HANGAR DONATION

BACKGROUND:

As part of the funding agreement with Iowa State University, ISU was responsible for ensuring that a third party constructed an itinerant aircraft storage hanger of approximately 11,500 square feet hangar that would be deeded to the City upon completion.

The conceptual design was reviewed and approved by City Council before construction. Staff has inspected the hangar and determined it to be substantially complete so that it fulfills the intent of the agreement. **It should be noted that there are some punch-list items, mainly related to the fire alarm and fire protection systems, which will need to be finalized by the contractor before the hangar can be occupied.**

Once the punch-list items are approved, the accepted facility will also be placed on the City's insurance. The new hangar has an estimated value of \$1,000,000. At that point, the City will be responsible for utilities and maintenance of the hangar. There will be a one-year warranty on any workmanship or construction issues with the hangar through Story Construction.

ALTERNATIVES:

1. Accept the Airport Storage Hangar addressed as 2511 Airport Road as being substantially complete, thereby delegating to staff the responsibility to certify completion of punch-list items prior to final occupancy of the hangar.
2. Do not accept the hangar.

MANAGER'S RECOMMENDED ACTION:

Successful completion of the improvements at the Airport required an innovative public/private partnership. In addition to substantial financial commitments from the City and the University, the private sector has stepped up to become a major contributor as well. The hangar is an example of this private contribution with an estimated value of \$1,000,000.

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

If should be emphasized that the City staff does not possess the necessary equipment, knowledge, or staff time to provide the leasing service at the new hangar. Since the new Fixed Base Operator (FBO) does not begin operations at the Airport until April 2017, the City is inquiring if the current FBO, Hap's Air Service, would be willing to assume this service responsibility in the interim.