

COUNCIL ACTION FORM

SUBJECT: 2015/16 AIRPORT IMPROVEMENTS (TERMINAL BUILDING)

BACKGROUND:

The Airport Improvements Program in the City’s 2015/16 Capital Improvements Plan included a project to construct a new terminal building, an itinerant hangar, and related site preparation for the buildings. Per an agreement between the City and Iowa State University, the itinerant hangar has been constructed using private funds and donated to the City. Once the hangar was taken over by the City, additional requirements (security, cameras, network connections, access door, etc) were needed to make the building a fully operational facility.

On September 13, 2016, the City Council awarded the terminal building contract to Jensen Builders LTD of Des Moines, IA, in the amount of \$1,973,900. **Construction of the Terminal Building was completed in the amount of \$1,988,651.00.**

There were other improvements required to prepare the overall Airport site for the Terminal Building and Itinerant Hangar to integrate them with the rest of the City-owned facilities that were not anticipated in the original budget. This work included parking lot lighting (\$13,423), building permit (\$11,571), and fiber optic network (\$21,390), in addition to the hangar items noted above (\$16,255).

The following table summarizes the overall funding sources and expense breakdown for this project:

Revenues		Expenses	
G.O. Bonds	\$867,000	Design	\$437,808
G.O. Bonds (Abated)	\$943,000	Terminal Site & Utilities Work	\$737,639
G.O. Bonds (Avail. Bal.)	\$65,000	Airport Site Preparation Requirements	\$34,813
Federal Grants	\$600,000	Terminal Construction	\$1,988,651
State Grants	\$150,000	Administration & Construction Services	\$109,504
Hotel/Motel Tax	\$250,000	Terminal Fixtures, Furniture, and Equipment	\$118,448
AEDC	\$500,000	Hangar Facility Requirements	\$16,255
FBO	\$12,815		
General Fund	\$60,000		
	\$3,447,815		\$3,443,118

ALTERNATIVES:

1. Accept the building contract portion of the 2015/16 Airport Improvements (Terminal Building) only as completed by Jensen Builders LTD of Des Moines, Iowa, in the amount of \$1,988,651 utilizing up to \$65,000 from the available balance in G.O. Bond funds.
2. Direct staff to pursue modifications to the project.

MANAGER'S RECOMMENDED ACTION:

The City Council should note that the final project cost is \$65,000 greater than the amount previously estimated for the project. Since three out of the four items listed above can be considered improvements to the overall Airport, it does not seem justified to seek additional funding from the AEDC or ISU to cover these costs. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, which will authorize the use of an additional \$65,000 from the available balance in G.O. bond funds and accept the Terminal Building contract as completed in accordance with the approved plans and specifications.