

ITEM #:	<u>21</u>
DATE:	<u>04-28-26</u>
DEPT:	<u>PW</u>

COUNCIL ACTION FORM

SUBJECT: 2026/27 AIRPORT FACILITY IMPROVEMENTS (FUEL FARM REPLACEMENT - AVGAS)

BACKGROUND:

The City of Ames Capital Improvements Plan includes replacement of the Aviation Gasoline (AvGas) fuel tank at the Ames Municipal Airport in the FY 2026/27 Airport Facility Improvements Program. This program addresses the modernization of fueling facilities for safety, storage, and environmental protection by replacing the existing underground AvGas system with a modern above-ground fuel system.

To support this project, the Iowa Department of Transportation (DOT) State Airport Improvement Program (AIP) application for the AvGas portion of the Airport Fuel Farm reconstruction project requested \$400,000 in State funding toward a total project cost of \$533,333. Because State funding is limited, Iowa DOT staff administering the program to determine State participation levels on a project-by-project basis at the time funding is requested. For this project, a **75% State and 25% local cost share** has been identified, resulting in a required local match of \$133,333.

The AvGas and Jet Fuel portions were programmed across two fiscal years to maximize available grant funding. However, staff intends to design and bid both portions together as a single project because that is the most cost-effective approach and will allow the full fuel farm to be constructed under one contract. The previously approved Council Action Form for Jet Fuel portion of the project is included for reference.

The 2026/27 CIP programs this project with \$400,000 in State funding, \$25,000 from the Airport Improvements Fund, and \$100,000 in G.O. Bonds. **Because the current grant application and updated cost estimate reflect a total project cost of \$533,333, the originally programmed funding budget is insufficient to meet the required local match. Therefore, this Council action includes an additional \$8,333 from the the Airport Improvements Fund (for a total of \$33,333) to maximize the utilization of available grant funds and fully fund the required local match.**

Revenues	
State Airport Improvement Program Grant (75%)	\$400,000
G.O. Bonds (Previously Issued)	\$100,000
Airport Improvements Fund (CIP Programmed)	\$25,000
Airport Improvements Fund (Additional for Grant Match)	\$8,333
Total Revenues	\$533,333

Expenses	
Project Cost – Fuel Farm Replacement (AvGas Portion)	\$533,333
Total Expenses	\$533,333

ALTERNATIVES:

1. Approve proceeding with the FY 2026/27 Airport Facility Improvements Program (Fuel Farm Replacement – AvGas project) by:
 - a. Approving submission of the State of Iowa Airport Improvement Program grant application
 - b. Committing \$133,333 in local matching funds for the project, including the \$100,000 in previously issued G.O. Bonds and \$33,333 from the Airport Improvements Fund, to fully fund the project and maximize available grant funding.

2. Do not approve the grant application. This would forfeit the opportunity to receive State funding and require the City to fully fund the AvGas portion locally.

CITY MANAGER'S RECOMMENDED ACTION:

The Airport Fuel Farm is a critical piece of airport facility infrastructure. The AvGas system is necessary to serve aircraft that rely on aviation gasoline, and replacement of the aging underground system is needed to maintain safety, reliability, and compliance with environmental standards. Completing the AvGas portion in coordination with the previously funded Jet Fuel portion will allow the City to design and bid the full fuel farm reconstruction as one project, which is the most cost-effective approach. Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

ATTACHMENT(S):

[Jet Fuel CAF.pdf](#)
[Iowa DOT Grant Application](#)