



**CITY COUNCIL  
COMMUNICATION:**

**ITEM \_\_\_\_\_**

**OFFICE OF THE CITY MANAGER  
CITY OF DES MOINES, IOWA**

**98-357**

**SYNOPSIS –**

**AGENDA:**  
AUGUST 24, 1998

**SUBJECT:**  
STATUS OF FUNDING  
FOR RUNWAY 5/23  
GRADING PHASE TWO

**TYPE:**  
**RESOLUTION**  
ORDINANCE  
RECEIVE/FILE

**SUBMITTED BY:**  
KEVIN RIPER  
FINANCE DIRECTOR

WILLIAM FLANNERY  
AVIATION DIRECTOR

Both the Noise Compatibility Program and the Revised Master Plan for the Des Moines International Airport provide for the extension of Runway 5/23 to the southwest. The Runway 5/23 Extension Project has been determined to be an essential part of the Airport's Noise Compatibility and Noise Mitigation Program. The plans call for the runway to be extended to a usable length of 9,000 feet. The runway extension requires the relocation of Army Post Road (a substantial part to be completed Fall 1998) and Iowa Highway 28 (IA 28) to the south and west. The relocation of Army Post Road and IA 28 have been coordinated with the planned construction of the south beltway (i.e. Relocated IA 5 from US 65/69 on the east to I-35 on the west) being constructed by the Iowa Department of Transportation (IDOT). In order for the IDOT beltway construction and the Airport's road relocations to properly meet, the construction of relocated IA 28 must be completed by the year 2000 so that the Relocated IA 5 Interchange with IA 28 can be constructed by the State at the location needed for the Airport Runway Extension Project.

In order to advance the Runway Extension project and meet the timetable required by IDOT, the grading portion of relocated IA 28 should begin by late summer 1998. Under a separate Preconstruction Project Agreement with IDOT, the City has agreed to include a portion of the work required for the south beltway related to the grading of the relocated IA 5 main line between SW 42nd Street and relocated IA 28 and the grading of the Interchange Ramps A, D, & E on relocated IA 28. The Preconstruction Project Agreement provides for IDOT funding of those improvements. On July 7, 1998, by Resolution A98-276, the Airport Board designated the lowest responsible, responsive bidder on Runway 5/23 Grading, Phase 2 as T.J. Lambrecht Construction, Inc., of Joliet, IL in the

amount of \$15,656,965.96.

### **FISCAL IMPACT –**

#### **There is no fiscal impact on the City' s General Fund.**

Funding for the relocated IA 28 grading project (which includes the work for the IDOT under the Preconstruction Project Agreement) is provided by federal Airport Improvement Program (AIP) grant funds, Airport Passenger Facility Charge (PFC) funds, and IDOT funds.

Funding for this project is provided for in the approved 1998/99 Capital Improvement Program (CIP) under Construction-Relocated Iowa Highway 28, Index 311068 and Runway 5/23 Extension, Index 316569. Due to the fact that the approved CIP did not anticipate costs associated with the placement of fill dirt and grading for the Runway 5/23 extension and the addition of the IDOT funded portion to this project, a temporary reallocation of budget appropriations will have to be approved by the Airport Board at the time the construction contract is awarded.

On August 17, 1998, by Roll Call No. 98-2617, the City Council accepted a grant from the Federal Aviation Administration (FAA) in the amount of \$8,372,160 to advance the grading of Relocated IA 28. Under the Preconstruction Project Agreement referenced above, the IDOT will provide funding in the amount of \$4,417,122.14. The balance of funding necessary for this project (\$2,867,683.82) will be provided by the Airport' s PFC program. The collection of PFC' s for this project has been approved by the FAA.

The Airport' s approved PFC program includes a number of currently ongoing and future projects. Average annual collections under the program are approximately \$2.3 million. AIP grants funds are anticipated to be the primary funding source in the early phase of this project. PFC funds will be required to fund the project during the later phases to provide the AIP matching share and other required local funds. Because other projects are currently approved for funding under the PFC program, an Airport line of credit or other credit facility backed solely by Airport PFC revenues may be required to "cash flow" the

projects until the PFC' s can be collected. Based on current projections, any line of credit borrowings would be for a short term period. It is anticipated that the PFC line of credit or other credit facility will be presented to the Airport Board in the near future for approval and recommendation to City Council. An alternative to procuring bank type financing for the line of credit, if appropriate and beneficial to both the City and the Airport, would be to use City funds under a loan agreement with the Airport.

#### **RECOMMENDATION –**

**City Council Receive and File Council Communication.**

#### **BACKGROUND –**

On July 7, 1997, by Resolution Nos. A97-218 & A97-219, the Airport Board awarded construction contracts to grade and pave the four lane divided roadway for relocated Army Post Road from just east of Fleur Drive to existing IA 28 (i.e. SW 42nd Street) and SW 28th Court from Littell Avenue to relocated Army Post Road. That portion of the project is anticipated to be completed by Fall 1998.

On May 5, 1998, by Resolution No. A98-167, the Board approved, and on May 18, 1998, by Roll Call No. 98-1581, the City Council approved, a Preconstruction Project Agreement IDOT which delineated the construction contract specifications, contract inspection responsibilities, and reimbursement of specific elements of the IA 5/28 Interchange (Item 1 below) for which the IDOT is responsible. The major provisions of the approved Preconstruction Project Agreement included:

- The IDOT, in need of a waste site for about 1.4 million cubic meters of soil from their IA 5/28 interchange, will reimburse the Airport to move this soil, first to a stockpile on the extension of Runway 5 west of SW 42nd Street, and then to a final placement site on the Airport.
- The IDOT will reimburse the Airport for any paving which they want to include in the Airport' s 1999 paving contract which is needed for phasing of their IA 5/28

interchange project.

- The IDOT will provide inspection support under the City Engineer for the 1998 Grading Project and on the subsequent 1999/2000 paving project they will provide project administration, primary inspection forces and testing services under the contracting authority of the Airport.
- FAA general contract provisions will govern for the grading and paving contracts but FAA technical specifications will govern the grading projects while IDOT technical specifications will govern the IA 28 paving project.

On June 9, 1998, by Resolution A98-220, the Board approved a Resolution ordering construction of the Runway 5/23 Grading, Phase II, the receipt of bids (6-30-98), and set the date of hearing for July 7, 1998.

Bids for the project were received from four companies.

On July 7, 1998, by Resolution A98-276, the Airport Board designated the lowest responsible, responsive bidder on Runway 5-23 Grading, Phase 2 as T.J. Lambrecht Construction, Inc., of Joliet, IL in the amount of \$15,656,965.96. On September 1, 1998, the Airport Board is planning to consider the award of the contract to T.J. Lambrecht Construction, Inc.