

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

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

99-544

SYNOPSIS -

AGENDA:
DECEMBER 20, 1999

On the December 20, 1999, Council agenda is a resolution that authorizes the submittal of an application to the Iowa Department of Economic Development (IDED) for Physical Infrastructure Assistance Program (PIAP) grant funds.

SUBJECT:
APPLICATION FOR
PHYSICAL
INFRASTRUCTURE
ASSISTANCE
PROGRAM
GRANT FUNDS

Earlier this year a representative of the Des Moines International Airport Board, the Aviation Director, and representatives of the Des Moines area business community met with representatives of Atlantic Southeast Airlines (ASA) to discuss the possibility of ASA initiating non-stop jet service between Atlanta, Georgia and Des Moines. During this meeting it was agreed that between the business community and the Airport every effort would be made to provide ASA up to \$100,000 for advertising, to match an equal or greater amount of advertising expenses by ASA. Because of the potential availability of the IDED grant funds, it has been determined that usage of those grant funds may provide a better mechanism for satisfying the business communities commitment. The Airport's participation towards this commitment is to be \$25,000 with the balance of desired commitment coming from the IDED grant under PIAP. (To fulfill the Airport's commitment, on August 3, 1999, by Resolution No. A99-280, the Board approved the "Policy on Waiver and Discounting of Fees and Marketing Assistance for Airlines Initiating New, Non-Stop Jet Service" which allows the Airport to provide \$25,000 if it is matched with an equal amount by ASA.)

TYPE:
RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:
WILLIAM F.
FLANNERY
AVIATION
DIRECTOR

FISCAL IMPACT -

If approved by the State, the PIAP funds from IDED will be provided directly to ASA. The \$25,000 coming from the Airport is a part of the Airport's approved operating budget for FY 1999/2000.

RECOMMENDATION -

Council is requested to authorize the submission of an application to the IDED for \$75,000 in PIAP grant funds in support of non-stop jet service between Des Moines and Atlanta by ASA.

BACKGROUND -

In 1996, the Iowa legislature passed enabling legislation to implement PIAP to provide financial assistance to aid in community or business development or redevelopment that involves substantial capital investment and provides the opportunity for creating jobs.

On November 2, 1999, by Resolution A99-375, the Des Moines International Airport Board endorsed the submission of this application to IDED. Programmatic rules of PIAP require that a municipality submit the grant application.