

Meeting Agendas/Info

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

01-165

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

AGENDA:

APRIL 2, 2001

SUBJECT:

FEDERAL AVIATION
ADMINISTRATION
GRANT 29

TYPE:

RESOLUTION
ORDINANCE
RECEIVE/FILE

SUBMITTED BY:

FLOYD BENTZ, P.E.
CITY ENGINEER

WILLIAM FLANNERY,
P.E.
AVIATION DIRECTOR

SYNOPSIS -

This Federal Aviation Administration (FAA) grant funds Phase 6 of the overall Runway 5-23 construction project anticipated to open in December. This grant agreement and associated assurances must be executed before the Airport Board can execute the Runway 5-23 and Taxiway 'P' construction southwest of existing Runway 13L-31R contract for which bids were received on March 1, 2001.

FISCAL IMPACT -

This FAA Airport Improvement Program (AIP) Grant 3-19-0027-29 funds 90 percent of the federal share of three components:

1) Divisions 1, 2 and 3 of the Runway 5-23 and Taxiway 'P' construction southwest of existing Runway 13L-31R contract. The FAA grant eligible portion of this contract is bid at \$11,467,391.19. The Iowa Air National Guard (IANG) portion (Divisions 4 and 5) bids are \$1,132,382.58.

2) A small associated electrical service construction contract that is to be bid in June. This contract is estimated to be \$260,000.

3) Engineering and construction testing services for these two contracts and the design of Taxiway R from Runway 13L-31R to Taxiway B. Engineering services for this grant are estimated to be \$1,344,143.25.

The main Runway construction contract in Item 1 cannot be executed until this grant is executed.

Funding for these projects is provided in the 2000/2001 Capital Improvement Program under Runway 5-23 Extension, Project/Grant AIR068.

In addition to the FAA AIP Grant funds for the Runway 5-23 and Taxiway 'P' construction southwest of existing Runway 13L-31R

project, reimbursements from the IANG will be \$1,132,382.58 for Divisions 4 and 5. The City has already received approval of Division 4 work in an amount of \$356,364, and the contract is structured to authorize Division 5 at a later date. The Airport received authority to issue Subordinate Airport Commercial Paper Revenue Notes, Series C, with a maximum aggregate principal amount outstanding at any one time of not to exceed \$5,000,000 to pay for non-grant eligible elements of the project and for the 10 percent local matching share of the grant eligible elements of the project. This interim (five-year maximum) commercial paper is anticipated to be repaid from future airport revenue bonds as noted in Council Communication No. 00-344.

RECOMMENDATION -

(1) Approve execution and acceptance of a 90 percent federal share FAA grant for funding of the 2001 Phase 6 construction of the Runway 5 extension project; (2) Ratify and adopt all assurances, warranties, covenants and agreements required by project application and incorporated in grant offer; and (3) Direct Mayor to execute grant agreement, City Clerk to attest and Aviation attorney to certify to grant execution for a 90 percent federal share FAA grant in an amount of \$12,277,381 to the City of Des Moines as soon as the grant documents come from FAA.

BACKGROUND -

This grant was previously approved on March 12, 2001, but the documents were not released on the anticipated schedule. Therefore, grant acceptance must be reauthorized.