

**CITY COUNCIL
COMMUNICATION:**

02-181

AGENDA:

APRIL 8, 2002

SUBJECT:

**AUTHORIZE
EXECUTION OF
FEDERAL AVIATION
ADMINISTRATION
SECURITY GRANT**

TYPE:

**RESOLUTION
ORDINANCE
RECEIVE/FILE**

SUBMITTED BY:

**WILLIAM
FLANNERY, P.E.
AVIATION
DIRECTOR**

ITEM _____

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

SYNOPSIS -

The Federal Aviation Administration (FAA) is making available \$702,851 to the Des Moines International Airport to reimburse the Airport for some of the additional operating expenses it has incurred since September 11, 2001, to comply with the new mandated airport security measures.

FISCAL IMPACT -

The Airport has estimated that it will incur additional operating expenses of \$1,411,301.20, through September 30, 2002, to comply with recent federally mandated airport security measures. This grant, in the amount of \$702,851, is to reimburse the Airport a portion of these extra operating expenses. Some of the funds received will in turn be credited back to those airport tenants who have paid additional security fees to the Airport to help offset these new security related operating expenses.

RECOMMENDATION -

On April 2, 2002, by Resolution No. A02-60, the Airport Board recommended to City Council approval of the acceptance of Airport Improvement Program (AIP) Grant No. 3-19-0027-32 in an amount of \$702,851 for reimbursement of security related operating expenses.

BACKGROUND -

On September 11, 2001, the air transportation system was used as a means to deliver a terrorist attack on the United States of America. Following the attack, the FAA mandated many new airport security requirements and required ALL air carrier airports to comply with the directive before the airport would be permitted to reopen. Subsequent emergency amendments have added to the requirements.

Section 119 of the Aviation and Transportation Security Act authorized expanded eligibility for AIP funding of certain security costs incurred since September 11, 2001. An additional AIP appropriation of \$175,000,000 was included in the latest Defense Appropriation Act to fund Section 119.

On February 5, 2002, by Resolution No. A02-26, the Airport Board approved the submission of an FAA grant application for reimbursement of security related expenses incurred since September, through the end of September 2002 in the amount \$1,411,301.20. In general, this funding is intended to pay for non-capital costs of increased security required since September 11th. Airports were asked to include in the application: (1) the total airport security costs for their last fiscal year immediately prior to September 11; (2) the increased costs after September 11, including estimated costs for the future up to but no later than September 30, 2002; and (3) the sources of funds, such as increased rates and charges, for paying the increased costs.

The applications were not to include any capital costs, as they are ineligible for these funds. Capital costs associated with meeting new or additional security requirements are eligible for discretionary and entitlement funding through the normal AIP process and a separate application will be submitted for that funding when more of these costs become known.
