

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-267

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

AGENDA:

MAY 20, 2002

SYNOPSIS -

SUBJECT:

EXECUTION OF
FEDERAL
AVIATION
ADMINISTRATION
GRANT 31

This Federal Aviation Administration (FAA) grant funds the last part of the overall Runway 5-23 construction project, the construction of Taxiway R from Taxiway R-1 to R-3, and the acquisition of some land in the Runway 23 protection zone in the area of Fleur Drive and McKinley Avenue. This grant agreement and associated assurances must be executed as soon as possible so that the Airport Board can execute the Runway 5-23, Taxiway P & R construction contract for which bids were received on March 28, 2002. This construction schedule is very strenuous and requires an immediate award to re-open the runway by December 2002.

TYPE:

FISCAL IMPACT -

RESOLUTION
ORDINANCE
RECEIVE/FILE

The FAA Airport Improvement Program (AIP) Grant 3-19-0027-31 funds the 90 percent federal share of three components which are:

SUBMITTED BY:

JEB BREWER, P.E.
CITY ENGINEER

WILLIAM
FLANNERY, P.E.
AVIATION
DIRECTOR

- 1) Divisions 1, 2, 3 & 4 of the Runway 23, Taxiway P & R construction contract. The FAA grant eligible portion of this contract, plus the Taxiway P runup pad not awarded last year, has a total bid of \$10,763,348.30. The Iowa Air National Guard (IANG) portion (Division 5) bid is \$34,450.
- 2) Associated Runway 5-23 appraised land acquisition costs, for which negotiations are in progress, are estimated to be \$1,470,000.
- 3) Engineering and administrative services for this grant are estimated to be \$1,058,183, which includes \$402,202 for contingencies, obstruction removal and utility relocation.

The runway construction contract, in item 1 above, cannot be executed until this grant is executed.

Funding for these projects are provided in the FY2002/2003 Capital Improvement Program under Runway 5-23 Extension Project No. AIR068, Taxiway R Construction Project No. AIR114 and Land Acquisition Runway 5-23 Extension Project No. AIR011.

In addition to the FAA AIP grant funds for the Runway 5-23, Taxiway P & R construction project, reimbursements from the IANG will be \$34,450 for Division 5 work. Award approval for Division 5 work is in process according to the Council-approved 28E Agreement and is anticipated prior to the end of May 2002. 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 finance non-grant eligible elements of the project and for the ten 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 previous Council Communication 00-344

RECOMMENDATION -

(1) Approve execution and acceptance of a 90 percent federal share FAA grant for funding of the FY2002, Phase 7 construction of the Runway 5-23 Extension Project; (2) Ratify and adopt all assurances, warranties, covenants and agreements required by project acceptance and incorporated in the grant offer; (3) Direct the Mayor to execute the grant agreement, the Chief Deputy City Clerk to attest and the Assistant City Attorney to certify to the grant execution for the 90 percent federal share FAA grant in an amount of \$11,111,878 and any additional funding that the FAA would make available to the City of Des Moines as soon as the grant documents are received from FAA.

BACKGROUND -

The Engineering Department has been working with the Iowa Air National Guard (IANG) for several years to coordinate the reconstruction of their aircraft arresting cable system in this runway and the construction of Arm/DeArm pads at both ends of this runway, which also serve as runup or bypass taxiway areas for air carrier planes. This associated IANG construction is included in the Runway 5-23 construction contracts in order to minimize the time Runway 5-23 is closed for construction and to more efficiently coordinate both the IANG and the Des Moines International Airport construction work. A 28E Intergovernmental Agreement that City Council approved on December 18, 2000, by Roll Call No. 00-4654, funds the associated IANG runway and taxiway construction.

To date, the City of Des Moines has received six AIP grants totaling \$52,509,346 for the Des Moines International Airport Road

Relocation and Runway Extension Noise Mitigation Project. Planning by the Aviation and Engineering Departments resulted in FAA staff notice of tentative allocation for this AIP Grant 3-19-0027-31 in November 2001. The project construction schedule requires execution of this grant and subsequent Airport Board authorized execution of the construction contract before June 2002 in order to complete the main construction contract before this winter. In addition, the specifications of the contract require the apparent low bidder to hold its bid for 60 days, which ends May 27, 2002. On April 2, 2002, the Airport Board awarded the contract subject to City Council approval of this FAA grant.
