



**Council
Communication**
Office of the City Manager

Date

June 19, 2006

Agenda Item No. 69

Roll Call No. 06-

Communication No. 06-357

Submitted by: Craig Smith, Aviation Director
and Jeb E. Brewer, P.E., City Engineer

AGENDA HEADING:

Approving and Authorizing the Execution of Federal Aviation Administration AIP Grant Agreement, Project Number 3-19-0027-44-2006/2007 Airport Runway 13R-31L Land Acquisition, Phase 3.

SYNOPSIS:

Approval of the Federal Aviation Administration (FAA) Grant and Authorization for the Mayor to execute a FAA Airport Improvement Program (AIP) Grant in a 95% Federal share amount of \$5,755,212 along with City acceptance and ratification of all associated Grant assurances, warranties, covenants and agreements contained in the project application for the funding of the Airport Runway 13R-31L Land Acquisition, Phase 3 project, Activity ID 27-2002-030.

FISCAL IMPACT:

Amount: \$6,058,117.90

Funding Source: 2006-2007 CIP, Page AIR-28, Runway 13R/31L – Land Acquisition AIR117.

- 95% FAA Funds through this AIP Grant 44 (\$5,755,212).
- 5% Passenger Facility Charge (PFC) funds included in approved PFC application number 9 (\$302,905.90).

ADDITIONAL INFORMATION:

On July 29, 2003, the Federal Aviation Administration approved a Finding of No Significant Impact (FONSI) and Section 4(f) Determination for the proposed Runway 13R-31L construction. The FAA's approval of the FONSI and Section 4(f) Determination constitutes the Federal approval for the recommended actions and any subsequent actions related to approving a grant of federal funds for the project, beginning with land acquisition. The acquisition of approximately 283 acres of property, including 22 residential properties, needed for the proposed runway and its approaches is included in the finding. The FONSI specifies, and Federal Regulations require, that acquisition of residences and farmland must conform to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Land acquisition as well as the construction of the new runway and taxiways will depend upon the availability of Federal and Airport funds.

The Airport is required by the FAA Airport Improvement Program process to acquire properties prior to their inclusion in a 95% Federal Grant share project that would ultimately fund the acquisition expense. For this reason, Engineering and Airport staff work closely with FAA staff in an attempt to time the acquisitions so that they will occur just prior to the availability of an FAA AIP Grant in order to minimize the carrying costs required until 95% of the property expense can be reimbursed with an FAA AIP Grant. Anticipating the FONSI approval of this project, the Airport submitted the initial grant programming request for this project in February of 2002 for funds that would become available in Federal FY 2005.

On December 2, 2003, by Resolution No. A03-285, the Airport Board approved and authorized the design of a public improvement project to construct Runway 13R/31L and authorized the City Manager to proceed with the acquisition of properties needed for the project by purchase or gift, or to proceed to the City Council for approval to acquire by eminent domain when appropriate and needed.

FAA staff notified the Airport in separate October 6, 2004, and October 18, 2004, letters that approximately \$1 million in AIP entitlement grant funds and \$1.5 million in additional AIP discretionary funds be programmed for Runway 13R-31L land acquisition. FAA further recommended that the City initiate final actions necessary to have this much property acquired in time for the release of 2005 AIP grants. On January 6, 2004 the Airport initiated a voluntary Acquisition Program to acquire the property for replacement Runway 13R-31L by approving Resolution A04-16. To date the Airport has taken possession of, negotiated settlements, or is in negotiation with the owners of 18 residential properties.

On February 15, 2005, FAA Staff notified the Airport that they were initiating the Congressional release of funds for an FAA Airport Improvement Program grant in the amount of \$1,295,351.00 to initiate the first AIP grant funding of land acquisition for replacement Runway 13R-31L. Congress released the funds on April 1, 2005, and the City of Des Moines then executed the first grant offer on August 3, 2005.

The Airport was approached last fall by principals of the Claire Carlson Trust, who own a substantial amount of property required for the new Runway 13R-31L project, requesting that the Airport acquire all of their property. The property is entirely within the ultimate acquisition of the Airport Layout Plan and approximately half of this property was in the initially identified acquisition corridor for the project. Staff evaluated the use of the remaining portion of this property that was not already included in the runway project and found that it could save between \$8,000,000 and \$10,000,000 in excavation expenses if used for soil borrow to fill up to the replacement runway grade. An inquiry was sent to the FAA requesting concurrence in the acquisition of the Claire Carlson Trust property as part of the Runway Project. The property was deemed eligible if the environmental effects were evaluated and a determination was made of no significant environmental impacts. The required Supplemental Environmental Assessment was approved by FAA in final form in April 2006.

Fair Market Value was established for the Claire Carlson Trust in an amount of \$5.9 million for the entire 268 acres. Normally FAA requires the Airport to acquire and certify title to each project parcel prior to reimbursement. However, Engineering Department staff have worked out both an acquisition contract with this property owner and matching provisions in this AIP grant that, if accepted by City Council, will allow the Airport to obtain the 95% federal share grant funds in advance as needed for the purchase agreement installment payments. On June 1, 2006 Congress released the additional federal FY 2006 entitlement grant funds and established the programming of FY 2007 AIP entitlement grant funds for this acquisition, for a total programmed 95% federal share grant amount of \$5,755,212.

PREVIOUS COUNCIL ACTION(S):

Date: August 31, 2005

Roll Call Number: 05-2129

Action: Approving acceptance of FAA AIP Grant Agreement for land acquisition for future Runway 13R-31L. ([Council Communication No. 05-484](#)) Moved by Hensley to adopt. Motion Carried 7-0.

Date: August 3, 2005

Roll Call Number: 05-1845

Action: Approving acceptance of FAA Airport Improvement Program Grant in a Federal Share amount of \$1,295,351 for Runway 13R-31L Land Acquisition (Phase I) ([Council Communication No. 05-425](#)) Moved by Hensley to adopt. Motion Carried 5-2.

Date: August 3, 2005

Roll Call Number: 05-1844

Action: Approving Agreement with Polk County to relocate Great Western Recreation Trail as part of Runway 13R-31L construction. ([Council Communication No. 05-424](#)) Moved by Hensley to adopt. Motion Carried 5-2.

BOARD/COMMISSION ACTION(S):

Date: January 5, 2006

Resolution Number: A06-05 Airport Board

Action: Establishing Fair Market Value and Authorizing Acquisition of all 268 acres of vacant Claire Carlson Trust property at 4700 McKinley Avenue for Runway 13R-31L project.

Date: November 1, 2005

Resolution Number: A05-277 Airport Board

Action: Approval of Supplemental Agreement 1 with Coffman Associates to do additional Environmental Assessment work required for justification to acquire all of the Carlson Property for the Runway 13R-31L project.

Date: March 7, 2005

Resolution Number: A05-56 Airport Board

Action: Recommend City Council Accept FAA 95% Federal Share Airport Improvement Program Grant No. 3-19-0027-40/41 for Runway 13R-31L Land Acquisition.

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

1) City Council sets date of public hearing for approval of purchase agreement; 2) City Council holds public hearing and approves purchase agreement; 3) City Council approves final FAA Title Certification