


COUNCIL COMMUNICATION

	Number:	21-541	Meeting:	December 20, 2021
	Agenda Item:	59	Roll Call:	21-1943
	Submitted by:	Scott E. Sanders, City Manager		

AGENDA HEADING:

Resolution of support for new terminal for the Des Moines International Airport.

SYNOPSIS:

The existing terminal at the Des Moines International Airport (Airport) has reached the end of its useful economic life and no longer allows for the expansion needed for the rapidly growing market. The Airport Authority Board is pursuing a \$575 million terminal replacement and associated enabling projects to meet the market's demands now and into the distant future.

To leverage potential state and federal funding opportunities of up to \$300 million, the Airport has requested regional financial support from cities and counties in a 5-county region (Polk, Dallas, Jasper, Story, and Warren). The proposed \$10 million contribution from the City of Des Moines is set at approximately \$50 per capita and would be paid in four (4) equal annual installments beginning in Fiscal Year (FY) 22-23.

FISCAL IMPACT:

Amount: \$10,000,000

Funding Source: American Recovery Plan Act, Coronavirus State and Local Fiscal Recovery Fund (SLFRF) allocated dollars, assuming such authorized use of funds is approved. S501, Organization Code: FN900001.

ADDITIONAL INFORMATION:

- The Des Moines' metropolitan statistical area is the fastest growing region in the Midwest. This aggressive growth has strained the current operations and growth potential of the Airport. Gate capacity, parking, restrooms, baggage handling, and security checkpoints will be unable to handle the projected growth in outgoing and incoming traffic in the very near future.
- A 2014 economic impact study demonstrated the Airport directly and indirectly supports over 7,000 jobs and contributes \$644 million to central Iowa's economy. City of Des Moines residents represent approximately 115,000 of the Airport's 3.4 million annual passengers, and the 50309 zip code (downtown Des Moines) is the most popular destination of visiting passengers.

- The terminal project consists of the new, expanded terminal and associated enabling projects. The Airport has already spent \$85 million on enabling projects, which include repositioning hangars, tenants, infrastructure, and a reconfigured entrance road to enable the terminal construction to begin quickly once all funding is secured. Terminal construction could begin as early as 2024 and be completed in 2026.
- The \$575,500,000 project will be funded through a mix of private, Airport, regional, state, and federal funding sources. The City's \$10 million pledge is contingent upon contributions of approximately \$300 million in state and federal funds and subject to final City Council approval of a formal agreement.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS:

A final funding agreement will be presented for City Council consideration when the remaining project sources have been identified and committed.

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