



TO: Mayor Shaun Sipma
Members of the City Council

FROM: Rick Feltner, Airport Director

DATE: July 1, 2019

SUBJECT: FAA 2019 AIRPORT IMPROVEMENT PROGRAM (AIP) GRANT OFFER

I. RECOMMENDED ACTION

1. Recommend acceptance of the 2019 AIP Grant Offer from the FAA, once received; and
2. Recommend acceptance of the associated Budget Amendment to account for increased revenue and expenses relative to the 2019 budget; and
3. Authorize the Mayor and the City Attorney to sign necessary documents.

II. DEPARTMENT CONTACT PERSONS

Rick Feltner, Airport Director 857-4724

III. DESCRIPTION

A. Background

The FAA is in the process of reviewing Minot International Airport’s 2019 Airport Improvement Grant Application. It is anticipated that the grant offer will be received around the third week in July. In order to make the most of the summer construction season, the Airport is requesting that the City Council pre-approve the grant award as well as the associated budget amendment, and authorize the Mayor and the City Attorney to sign the documents when the offer is officially made by the FAA. The \$2,164,050 offer will represent the FAA’s commitment to fund 90 % of two 2019 projects. These include Phases II and III of the General Aviation Ramp Construction, as well as the design work for future expansion of the Cargo Apron. Both projects were previously approved as part of the 2019 Airport Budget as capital improvement projects. The remaining 10% of the costs for these projects come from state and local funds with 5% approved by the North Dakota State Aeronautics Commission (May 2019), and the remaining 5% will be City funded with sales tax improvements and Airport cash reserves. The City portion for \$101,250 was budgeted in the 2019 budget utilizing sales tax improvement funds, the remaining \$18,976 needed will use Airport cash reserves.

Acceptance of this grant obligates the Airport and the City to comply with all of the terms and conditions in the offer and in the Project Application.

B. Proposed Project

1. Reconstruction of the South General Aviation Ramp (Phases II and III)
2. Design for the repair and expansion of the Cargo Apron.

C. Consultant Selection

NA

IV. IMPACT:

Strategic Impact:

AIP grants are the primary source of funding for Airport capital projects. Through a partnership with the FAA, the Airport identifies and prioritizes projects, determines the scope, and manages the delivery process. These two projects are the most critical for completion in 2019.

Service/Delivery Impact:

As noted in the Grant Application:

- General Aviation Apron Phases II and III:
 - Reconstruct existing failing pavement
- Design Cargo Apron:
 - Replace deteriorating pavement, strengthen pavement section and expand for future needs
 - Reconstruct apron approximately 3,800 square yards
 - Expand apron approximately 14,000 square yards
 - Reconstruct Taxiway approximately 300 square yards
 - Expand taxiway approximately 1,000 feet

Fiscal Impact:

The two projects described above have been previously approved by City Council and the City share included in the 2019 budget. With the budget amendment the additional City share required is \$18,976 which will be funded with airport cash reserves.

Project Costs and Funding

Project Costs:

Rehab GA Apron – Ph. II and III	\$2,238,032
<u>Design Cargo Apron</u>	<u>166,469</u>
Total	\$2,404,501*

*Includes budgeted amount of \$314,907 in Engineering Fees.

Project Funding:

Federal Share	\$2,164,050
City Share	120,226
<u>State Share</u>	<u>120,225</u>
Total	\$2,404,501

V. ALTERNATIVES

Alt 1. Council could recommend that this grant be rejected and these projects be cancelled or delayed.

Alt 2. Council could wait until the grant offer is officially made by the FAA and approve acceptance of funds at a later date.

VI. TIME CONSTRAINTS

Approval will allow projects to begin immediately.

VII. LIST OF ATTACHMENTS

1. 2019 Grant Application
2. Budget Amendment
3. Project documents