



CITY OF LONG BEACH

R-36

LONG BEACH AIRPORT

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August 8, 2017

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to submit an updated application for the Airport Improvement Program Grant for Fiscal Year 2017 to the Federal Aviation Administration for capital improvements to Runway 7R-25L; and to accept said grant, execute grant documents, and amend grant documents and grant amounts with the Federal Aviation Administration for entitlement and discretionary funds, in the amount not to exceed \$15,304,473. (District 5)

DISCUSSION

The Long Beach Airport (Airport) receives grant funds annually from the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) consisting of entitlement and discretionary funds. Entitlement funds are allocated to airports based on the number of enplaned passengers and are calculated by the FAA using a set formula. Discretionary funds are allocated to airports based on need and national priority, as determined by the FAA. Every other year, the Airport submits a grant application for entitlement and discretionary funds from the AIP to pay for major airport infrastructure rehabilitation and improvements.

On December 6, 2016, the City Council authorized the City Manager to submit an application for and accept an AIP Grant in the amount of \$12,881,879, to fund the Runway 7R-25L Improvements Project (Project). The Project includes the reconstruction and realignment of Runway 7R-25L. The runway will also be re-designated as Runway 8R-26L. The orientation of runways is tied to the magnetic north pole, which is not stationary and shifts naturally over time. The FAA recommends that airports update their runway markings when the magnetic heading shifts more than three degrees from existing runway designation.

Other Project improvements will include pavement markings, lighting, signage, storm drain systems, grading of infield areas, and construction of two light aircraft run-up areas. Additionally, blast pads, which are paved areas adjacent to each runway end that provide erosion protection and dust mitigation to enhance the existing runway safety area, will be constructed for Runway 7L-25R. Runway 7L-25R will also be re-designated as Runway 8L-26R.

HONORABLE MAYOR AND CITY COUNCIL

August 8, 2017

Page 2

After the bidding process for the project was completed earlier this year, it was determined that costs would exceed the original grant amount requested from the FAA. The FAA has advised the Airport to submit an updated application to potentially receive the full amount for the AIP eligible work.

The grant will require shared financial participation. The estimated total project cost for the Project is \$19,133,634, of which \$15,304,473 will be potentially federally AIP funded. Federal funding is subject to sponsor participation of approximately 10 percent of AIP eligible project elements. The Airport's share and non-AIP eligible costs of \$3,829,161 will be funded with Passenger Facility Charges (PFC) and Airport capital funds.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on July 13, 2017 and by Revenue Management Officer Geraldine Alejo on July 24, 2017.

TIMING CONSIDERATIONS

City Council action is requested on August 8, 2017, to ensure the City has the authority to accept increased grant funding from the FAA. Failure to meet the FAA's deadlines could result in loss of partial funding.

FISCAL IMPACT

The amount of federal AIP grant funds requested for this project is \$15,304,473. The grant match requirement is \$1,576,702, plus non-AIP eligible work in the amount of \$2,252,459, for a total City cost of \$3,829,161, which will be funded with PFC and Airport Capital funds. An appropriation increase will be requested for the awarded grant amount, Airport's PFC funds, and final participation after the grant offer is received and executed. It is anticipated that the project will have a positive impact on the local job market.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JESS L. ROMO, A.A.E.
DIRECTOR, LONG BEACH AIRPORT

APPROVED:



PATRICK H. WEST
CITY MANAGER