



# CITY OF LONG BEACH R-28

LONG BEACH AIRPORT

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December 3, 2013

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager to submit applications for the Airport Improvement Program Grant for Fiscal Year 2014 to the Federal Aviation Administration for funding of the Taxiway J Reconstruction project; and to accept such grant, execute grant documents, and amend grant documents and grant amounts with the Federal Aviation Administration for entitlement and discretionary funds. (District 5); and

Authorize the City Manager to execute all documents necessary to amend the existing Passenger Facility Charge program previously approved by the City Council and Federal Aviation Administration within the existing authorized Passenger Facility Charge level of \$4.50 per enplaned passenger. (District 5)

## DISCUSSION

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

The project anticipated to be funded by this year's grant includes Taxiway J Reconstruction. The Reconstruction of Taxiway J includes the reconstruction of pavement and improvements to pavement markings, lighting, signage and storm drain systems, grading of infield areas, and the reconstruction of adjacent perimeter roads.

Funds are pending submittal of formal grant applications to and receipt of grant offers from the FAA. The grant will require shared financial participation. The estimated cost for the Taxiway J Reconstruction is \$10,230,000, of which \$9,207,000 will be federally AIP funded. The Airport's share, \$1,023,000, will be funded with previously approved Passenger Facility Charges (PFC).

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FAA rules allow airports collecting PFC to amend their program to reflect new project needs and changing scope requirements. The Airport intends to amend Taxiway J (West), in its existing application 03-02-C-03-LGB, to increase the scope to include the full Taxiway J Reconstruction. The previously approved amount of \$2,800,000 will remain unchanged and will be used to fund any PFC eligible costs in excess of the AIP grant award.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on November 12, 2013 and by Budget Management Officer Victoria Bell on November 18, 2013.

TIMING CONSIDERATIONS

City Council action on this item is requested on December 3, 2013, to ensure that the grant applications are filed and the grants fully processed in the time frame required by the FAA. Failure to meet the FAA's deadlines could result in loss of funding.

FISCAL IMPACT

The amount of Federal grant funds requested for this project is \$9,207,000. The obligation of Airport funds for this amount totals \$1,023,000, of which \$1,023,000 will be funded with previously approved PFC. An appropriation increase will be requested for the awarded grant amount and final participation after the grant offer is received and executed.

The projected end date for the collection period of the amended PFC application will remain July 30, 2025, and is based on an estimated annual enplanement growth rate of approximately one percent and the assumption that the PFC level will remain at the \$4.50 per passenger level in the future. These assumptions result in estimated PFC program annual collections, including interest earnings, which vary from \$6 million in FY 2013 to \$7 million in FY 2031.

PFC revenue is restricted to projects that are pre-approved by the FAA and are non-revenue generating. PFC revenue will be deposited in the Airport Fund (EF 320) in the Airport Department (AP). Appropriations to expend newly collected PFC beyond budgeted amounts will be requested at a later date.

It is anticipated that the projects will have a positive impact on the local job market.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MARIO RODRIGUEZ  
DIRECTOR, LONG BEACH AIRPORT

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S\CL\FY 14 AIP Grant Application CL 13-14.rev1.docx

APPROVED:



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PATRICK H. WEST  
CITY MANAGER