



CITY OF LONG BEACH

LONG BEACH AIRPORT

R-14

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August 12, 2008

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to accept a Federal Aviation Administration (FAA) Fiscal Year 2008 grant for additional funds for the rehabilitation of Taxiway K, Phase 3, and execute and amend grant documents from the FAA for entitlement and discretionary funds. (District 5)

DISCUSSION

The Long Beach 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 passengers enplaned, 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.

On April 1, 2008, the City Council authorized the City Manager to apply for, accept, execute and amend FAA AIP Grant No. 3-06-0127-30 (AIP-30) for the rehabilitation of Taxiway K, Phase 3, in the amount of \$12,500,000. The release of funding by the Federal Government did not allow for full funding of Taxiway K, Phase 3 at that time. The amount received under AIP-30 was \$7,697,409. In addition to receiving less than anticipated discretionary funds, the entitlement funding for all airports was decreased by 25 percent.

The FAA has now been authorized to release additional funds to airports and the Long Beach Airport has been chosen to receive a portion of those funds. The amount anticipated is \$1,826,147, which includes the 25 percent of entitlement funds not released under AIP-30. The City's required participation for this grant is \$96,113, which will be funded with Passenger Facility Charges (PFC).

It is anticipated that this grant will be numbered AIP No. 3-06-0127-31. The City will not need to submit an application for the additional funds as the amount of the application for AIP-30 was greater than the combination of the two grants and the project

description has not changed. However, the City will be required to process a new grant for these additional funds.

This matter was reviewed by Assistant City Attorney Michael J. Mais on June 24, 2008, and by Budget Management Officer Victoria Bell on July 25, 2008.

TIMING CONSIDERATIONS

City Council action on this item is requested on August 12, 2008, to ensure that the grant offer is fully processed by August 29, 2008, the date required by the FAA. Failure to meet this deadline will result in the loss of the funding.

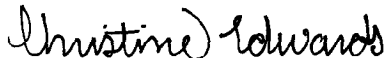
FISCAL IMPACT

On April 1, 2008, the City Council authorized the City Manager to increase appropriations in the Airport Enterprise Fund (EF320) by \$12,500,000. The amount of additional grant funds to be received from the FAA for the Taxiway K, Phase 3 project, is anticipated to be \$1,826,147. This amount, combined with the \$7,697,409 already received under AIP-30, is within the previously appropriated amount.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



for CHRIS KUZNE
ACTING AIRPORT DIRECTOR

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APPROVED:


PATRICK H. WEST
CITY MANAGER