



CITY OF LONG BEACH

LONG BEACH AIRPORT

R-23

4100 Donald Douglas Drive • Long Beach, CA 90808 • (562) 570-2600 • FAX (562) 570-2601

January 6, 2009

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to submit an application for Airport Improvement Program Grant(s) for Fiscal Year 2009 to the Federal Aviation Administration (FAA) to fund the Airfield Signage Replacement Project, Phase 1B Improvements to the Air Carrier Ramp, and Improvements to Taxilane J, accept such grant(s), execute and amend grant documents and amounts 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. 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 FAA has recently alerted Long Beach Airport staff that 33 percent of Fiscal Year (FY) 2009 entitlement funds will be released early this year. To receive the funds under the first release, the sponsor must complete the design and advertise and open bids by early February. While there is a chance that the 33 percent will be the only funds released this year, FAA staff are hopeful that the remainder of entitlement funds, and potentially some discretionary funds, will be made available later this summer. Therefore, the Airport is anticipating processing multiple grants this fiscal year.

The projects that were originally anticipated to be funded by this year's grant include the Airfield Signage Replacement Project, Phase 1B Improvements to the Air Carrier Ramp, and Improvements to Taxilane J. The Airfield Signage Replacement Project is a requirement of past FAA airfield safety inspections and is the priority project. This project will also include the replacement of edge lighting for Taxiway F. The improvements to the air carrier ramp and Taxilane J are required due to the condition of the pavement at both locations. The air carrier ramp improvements will also include environmental enhancements, including a fuel containment system and the installation of pre-conditioned air and in-ground electrical so that airlines will not need to run aircraft

HONORABLE MAYOR AND CITY COUNCIL

January 6, 2009

Page 2

engines while servicing, loading and unloading aircraft which will result in lower emissions.

Funds are pending submittal of a formal grant application to the FAA and receipt of a grant offer(s) from the FAA. The grant(s) will require a 95 percent FAA, and 5 percent Airport financial participation. The estimated cost of construction and construction engineering for the Airfield Signage Replacement Project is \$2,240,000. The Federal share of this amount, \$2,128,000, exceeds the 33 percent of entitlement funds (estimated to be \$1,443,031) that are anticipated to be released in the first round of funding. The Airport intends to front the difference between the federal funds and need (\$684,969), and will recoup this difference in the next entitlement grant, whether it occurs this year or next.

The estimated cost for the Phase 1B Improvements to the Air Carrier Ramp is \$6,315,789, of which \$6,000,000 would be federal funding and \$315,789 would be Airport revenue. The estimated cost for Taxiway J is \$2,050,000, of which \$900,000 would be Federal funding and the remainder would be a combination of Airport revenue and Passenger Facility Charges (PFC). These two projects will only be constructed this year if the FAA provides additional FY 2009 grant(s) with the necessary federal funding.

This matter was reviewed by Assistant City Attorney Michael J. Mais on December 16, 2008, and by Budget Management Officer Victoria Bell on December 18, 2008.

TIMING CONSIDERATIONS

City Council action on this item is requested on January 6, 2008, to ensure that the grant application is filed and the grant(s) are fully processed in the time frame required by the FAA. Failure to meet this deadline will result in loss of funding.

FISCAL IMPACT

The amount of Federal grant funds requested for these projects is \$9,028,000. The obligation of Airport funds for this amount, plus applicable PFC funds, total \$1,577,789. An appropriation increase will be requested in the Airport enterprise Fund (EF 320) in the Long Beach Airport Department for the actual grant amounts and final participation after the grant offers are received and executed.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

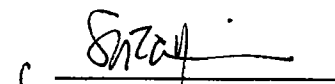


For CHRIS KUNZE
ACTING AIRPORT DIRECTOR

CK:RK:km

PLCLFAA Grant Application 08-09 rev 3.doc

APPROVED:



PATRICK H. WEST
CITY MANAGER