

C-4

April 13, 2021

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute all documents, including any necessary amendments, with the Federal Aviation Administration, to accept an Airport Improvement Program Grant award for federal Fiscal Year 2021 funding, for capital improvements to Taxiway L, in an amount not to exceed \$10,000,000. (District 5)

DISCUSSION

The Long Beach Airport (Airport) receives grant funds annually from the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) for capital improvement projects. The FAA's regular AIP provides more than \$3.18 billion annually in entitlement and discretionary grant funds for a network of more than 3,300 eligible airports. Entitlement funds are the portion of AIP funds allocated to airports 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. The Long Beach Airport (Airport) submits a grant application for entitlement and discretionary funds from the AIP to pay for major airport infrastructure rehabilitation and improvements.

On December 2, 2014, the City Council authorized the finalization and submission of preferred Alternative 3A of the Airfield Geometry Study (Study) to the FAA for review. The Study provided a comprehensive evaluation of the airfield geometry, providing alternatives for the reduction of risk in response to the Commercial Aviation Safety Team (CAST) report and analysis of the airfield design. Alternative 3A will help to reduce excess infrastructure and increase financial benefits through lower operation and maintenance costs.

Due to the significant extent of the improvements, the Study outlined a conceptual phasing plan for implementation of Alternative 3A over a 20-year horizon. The phasing plan was developed with several key considerations including, but not limited to, prioritization for safety, operational impacts, and funding availability.

Taxiway L serves as the primary taxiway for all departing commercial aircraft and is also used by air cargo carriers. Taxiway L has exhibited accelerated pavement damage (in structural subgrade), presumably due to the limitations of compaction over the Lakewood Boulevard and Spring Street tunnels. The Airport has performed numerous emergency surface repairs to prevent foreign object debris. The project will reconstruct Taxiway L and the connectors using Portland Cement Concrete (PCC). Improvements to the primary air carrier taxiway will preserve safety and capacity.

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In December 2019, the Airport submitted a grant application to the FAA based on an estimated project cost of the Taxiway B and Taxiway L projects. On July 7, 2020, the City Council authorized the acceptance of the FAA AIP Grant for Fiscal Year 2020 (FY 20) to fund the Taxiway B Construction and Taxiway L Reconstruction Projects, in an amount not to exceed \$50,000,000.

In September 2020, two AIP Grant awards for FY 20 were received for the Taxiway L project: AIP-48 in the amount of \$24,556,145 and AIP-49 in the amount of \$6,110,914, for a total award amount of \$30,667,059. Additional funds for capital improvements to Taxiway L are pending with the receipt of the FY 21 AIP grant offer from the FAA. The estimated cost for the capital improvements to Taxiway L is \$41,348,076. Typically, AIP grants require shared financial participation by the Airport of 9.34 percent of the project cost; however, the City's cost match to AIP-48 will be funded by the FAA Coronavirus Aid, Relief, and Economic Security (CARES) Act passed by Congress on March 27, 2020. The final amount of the AIP grant for FY 21 may be higher or lower, depending on the actual construction bid amount and available FAA funds.

The FAA required grant match is estimated at \$3,861,910 for the Taxiway L project. Of this grant match amount, the Airport plans to use \$2,293,544 from the FAA CARES Act and the remaining \$1,568,366 will be funded with Passenger Facility Charges (PFCs) within the Airport Fund Group. The Airport estimated share was approved by the FAA on November 5, 2020. The current AIP grant application for FY 21 is intended to bridge the remaining funding needs between AIP-48 and AIP-49 for the Taxiway L project, which is up to an additional \$10 million.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on March 4, 2021 and by Revenue Management Officer Geraldine Alejo on March 8, 2021.

TIMING CONSIDERATIONS

City Council action is requested on April 13, 2021, so the grant may be fully processed in the timeframe required by the FAA. Failure to meet the FAA's deadlines could result in loss of funding.

FISCAL IMPACT

The proposed recommendation would allow for the Airport Department to accept additional funding up to \$10,000,000 from the FAA AIP to initiate the Taxiway L project. The total AIP grant funds requested from FAA AIP for the project is \$37,486,166, inclusive of the additional funding of \$10,000,000. The grant requires matching funds in the amount of \$3,861,910, of which \$2,293,544 will be funded by the FAA CARES Act. The remaining grant match requirement of \$1,568,366 will be funded from PFCs in the Airport Fund Group in the Airport Department. An appropriation increase for the grant and matching funds will be requested after funding is awarded. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. It is anticipated the projects will have a positive impact on the local job market.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



CYNTHIA GUIDRY
DIRECTOR, LONG BEACH AIRPORT

APPROVED:



THOMAS B. MODICA
CITY MANAGER