



CITY OF LONG BEACH

LONG BEACH AIRPORT

R-12

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

February 8, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to submit applications for Airport Improvement Program Grant(s) for Fiscal Year 2011 to the Federal Aviation Administration (FAA) for funding of the following projects: Phase 3 Improvements to the Air Carrier Ramp, Rehabilitation of Access to Taxiways E and F, and Airfield Geometry Study; and to accept such grant(s), execute grant documents, and amend grant documents and grant amounts from the FAA for entitlement and discretionary funds. (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 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 Fiscal Year 2011 grant funds will be dispersed in multiple grants, due to an early release in March of a portion of the nation's AIP funding. While there is a chance that the initial funds released in March will be the only funds released this year, FAA staff are hopeful that the remainder of entitlement funds, and potential discretionary funds, will be made available later this summer. Therefore, the Airport is anticipating processing multiple grants this fiscal year.

The projects that are anticipated to be funded by this year's grants include the Phase 3 Improvements to the Air Carrier Ramp, Rehabilitation of Access to Taxiways E and F, and an Airfield Geometry Study. Phase 3 of the Air Carrier Ramp Improvement project

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is the next phase in the multi-phase ramp project to reconstruct the pavement, as well as provide environmental enhancements, including the installation of pre-conditioned air and in-ground electrical, so that airlines will not need to run aircraft engines while servicing, loading and unloading aircraft, resulting in lower emissions. The Access to Taxiways E and F project will include the rehabilitation of pavement and improvements to pavement markings, lighting, signage, and storm drain systems. The Airfield Geometry Study will evaluate the existing airfield geometry and provide alternatives for safety, operational, and financial benefits and reduction of risk. The Airfield Geometry Study falls under the FAA's "planning" category and will require a separate application.

Funds are pending submittal of formal grant applications to the FAA and receipt of grant offers from the FAA. The grants will require shared financial participation in the amount of 95 percent by the FAA and 5 percent by the Airport. The estimated cost for Phase 3 of the Air Carrier Ramp Improvement Project is \$5,000,000, of which \$4,750,000 will be federally funded. The Airport's share, \$250,000, will be funded with future Passenger Facility Charges (PFCs). The estimated cost for the Rehabilitation of Access to Taxiways E and F is \$2,500,000, of which \$2,375,000 will be federally funded and \$125,000 would be funded with existing, approved PFCs. The estimated cost for the Airfield Geometry Study is \$1,200,000, of which \$1,140,000 will be federally funded and \$60,000 will be funded with Airport capital.

This letter was reviewed by Deputy City Attorney Richard F. Anthony on January 24, 2011, and Budget Management Officer Victoria Bell on January 25, 2011.

TIMING CONSIDERATIONS

City Council action on this item is requested on February 8, 2011, 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 these projects is \$8,265,000. The obligation of Airport funds for this amount totals \$435,000, of which \$250,000 will be fronted with Airport capital and recovered in a future PFC application to be filed this year, \$125,000 will be funded with existing, approved PFCs, and the remaining \$60,000 with Airport capital. An appropriation increase will be requested in the Airport Enterprise Fund (EF 320) in the Long Beach Airport Department (AP) for the actual grant amounts and final participation after the grant offers are received and executed.

The projects included in these AIP applications will create an estimated 80 full-time equivalent (FTE) jobs.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MARIO RODRIGUEZ
DIRECTOR, LONG BEACH AIRPORT

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APPROVED:



PATRICK H. WEST
CITY MANAGER