



Legislation Text

File #: 22-0439, **Version:** 1

Recommendation to authorize City Manager, or designee, to execute all documents, including any necessary amendments, with the Federal Aviation Administration, to accept an increased Airport Improvement Program Grant award for federal Fiscal Year 2022 funding, for capital improvements to the Rehabilitate Runway 12-30 Lighting Project (formerly Runway 12-30 Electrical Improvements Project) at the Long Beach Airport, and increase the award amount by \$1,700,000, for a revised amount not to exceed \$8,700,000. (Districts 4,5)

On March 1, 2022, the City Council authorized the City Manager to accept an Airport Improvement Program (AIP) Grant award in an amount not to exceed \$7,000,000, for capital improvements to the Airport Rehabilitate Runway 12-30 Lighting Project, formerly known as the Runway 12-30 Electrical Improvements Project (Project). Since that time, the Long Beach Airport (Airport) has completed the bid for the construction of the Project. The bid results reflect that the cost of the Project, including construction design, construction management, inspection services, material testing, labor compliance, Disadvantage Business Enterprises administration, and related project support, exceeds the original Engineer's estimate. Material shortages, gas pricing, and recent world events have created a very volatile bidding environment and contractors are factoring in future price increases.

Funds for the Project are pending receipt of the grant offer from the Federal Aviation Administration (FAA). The grant requires shared financial participation by the Airport in the amount of 9.34 percent of the Project cost. The revised estimated cost for the Project is \$8,631,383, of which \$7,825,212 will be federally funded. The final amount of the AIP grant may be slightly higher or lower, depending on the actual construction amount and available FAA funds. The Airport's share of \$806,171 will be funded with Airport revenue.

This matter was reviewed by Principal Deputy City Attorney Richard F. Anthony on March 28, 2022 and by Budget Analysis Officer Greg Sorensen on March 30, 2022.

City Council action is requested on April 19, 2022, to increase the City Manager's authorized authority to reflect the increased cost of the project. City Council authority to execute FAA grants is customarily requested prior to receipt of grant documents, so that 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.

The proposed recommendation would allow the Airport to accept funding up to \$8,700,000 from FAA AIP for the Project. The estimated costs for capital improvements to the runway are \$8,631,383 and federal AIP grant funds requested for the Project are \$7,825,212. The grant requires matching funds of 9.34 percent of Project costs totaling \$806,171, which will be

funded with Airport funds in the Airport Fund Group in the Airport Department. The balance of the project costs, \$7,825,212, will be funded by FAA AIP. 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 project will have a positive impact on the local job market.

Approve recommendation.

CYNTHIA GUIDRY
DIRECTOR, LONG BEACH AIRPORT

APPROVED:

THOMAS B. MODICA
CITY MANAGER