



City Council Report

Date: August 31, 2009
To: City Council
Through: Jack Friedline, Deputy City Manager
From: Corinne Nystrom, Airport Director
Subject: Falcon Field Airport – Eastside Aeronautical Use Area Development
City of Mesa Project No. 06-020-001
ADOT Grant No. E7S26
City Council District No. 5

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to recommend that the City Council adopt the attached resolution authorizing the City Manager to execute the corresponding Grant Agreement Amendment #1 to extend the expiration date of existing grant # E7S26 (Design & Construct Eastside Aeronautical Use Area) between the Arizona Department of Transportation (ADOT) and the City of Mesa from June 30, 2009 to June 30, 2011.

Background

Historically, ADOT has funded airport development by offering state grants or matching grants to federal grant projects. The Airport has requested ADOT to extend the expiration date of ADOT Grant # E7S26 (Design & Construct Eastside Aeronautical Use Area) from June 30, 2009 to June 30, 2011 in order to complete the design of this project and to allow sufficient time to complete final reimbursements and administrative processing of this grant. This grant was previously approved by the City Council on October 16, 2006. The design of the Eastside Taxiway is close to completion, and the demolition of two existing airport structures, using E7S26 grant funds, will be completed by September 2009.

Discussion

ADOT routinely adjusts grant expiration dates with airports since project completion dates can vary from when the grant was originally approved. Also, due to the recent reduction of State Aeronautics grant funds, stemming from the transfer of these funds to the State's general fund, the Aeronautics Division has instituted a grant reimbursement deferral program of up to 18 months for all aeronautics grants. This grant is subject to this reimbursement deferral.

Alternatives

The first alternative is to do nothing and allow the grant to expire without extending the date. In this case, the City would be required to pay 100% of the remaining costs to complete the project that would otherwise be paid for by the State. The total amount of grant funds remaining is \$138,000.

The second and recommended alternative is to extend Grant # E7S26 to June 30, 2011, which allows the City adequate time to complete the project, close out the grant, and be reimbursed by the State for the remaining costs of the project.

Fiscal Impact

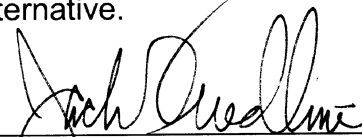
There is no negative fiscal impact in approving this resolution. Conversely, if this grant is allowed to expire without an extension, the City will be responsible for funding the remaining project/program costs that would otherwise be paid by the State. City funds have not been budgeted to cover the additional \$138,000 that would be required.

Coordinated With

The Arizona Department of Transportation (ADOT), the Engineering Department, and Falcon Field Airport concur with this recommended alternative.



Corinne C. Nystrom, Airport Director
Manager



Jack Friedline, Deputy City

**Arizona Department of Transportation
Aeronautics Division**

AIRPORT DEVELOPMENT REIMBURSABLE GRANT AGREEMENT

AMENDMENT NUMBER 1

AMENDMENT to the Airport Development Reimbursable Grant Agreement Number E7S26 dated November 3, 2006, between the State of Arizona, acting by and through the Arizona Department of Transportation, Aeronautics Division hereinafter referred to as "State", and the City of Mesa, a political subdivision of the State of Arizona, hereinafter referred to as "Sponsor".

AGREEMENT

The Airport Development Agreement dated November 3, 2006, is amended as follows:

1. Paragraph 4 of the Obligations is replaced by the following:

The State's obligation to provide funds hereunder expires upon completion of the efforts required herein or June 30, 2011 whichever is earlier.

2. All other provisions of the Airport Development Agreement remain applicable and unchanged except as herein modified.
3. This Airport Development Agreement Amendment is effective upon the signature of the representative of the State.

IN WITNESS WHEREOF, the parties hereto have caused this agreement to be executed by their duly authorized respective officers.

STATE:

STATE OF ARIZONA
DEPARTMENT OF TRANSPORTATION
AERONAUTICS DIVISION

By: _____

Title: Director

Date: _____

SPONSOR:

CITY OF MESA
Falcon Field Airport

By: _____

Title: _____

Date: _____

WITNESSED BY:

Signature: _____

Print Name: _____

Date: _____

WITNESSED BY:

Signature: _____

Print Name: _____

Date: _____

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA APPROVING AND AUTHORIZING THE CITY MANAGER, OR HIS DESIGNATED REPRESENTATIVE, TO EXECUTE AIRPORT DEVELOPMENT AGREEMENT #E7S26, AMENDMENT #1 BETWEEN THE CITY OF MESA AND THE STATE OF ARIZONA, ACTING BY AND THROUGH THE ARIZONA DEPARTMENT OF TRANSPORTATION AERONAUTICS DIVISION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, AS FOLLOWS:

Section 1: That Airport Development Agreement #E7S26, Amendment #1, between the City of Mesa and the State of Arizona, acting by and through the Arizona Department of Transportation, Aeronautics Division, is hereby approved.

Section 2: That the City Manager, Christopher J. Brady, or his designated representative, is authorized and directed to execute the agreement, and the City Clerk is authorized and directed to attest to the signature of the City Manager, or his designated representative, thereon.

PASSED AND ADOPTED by the City Council of the City of Mesa, Maricopa County, Arizona, this _____ day of _____, 2009.

APPROVED:

Mayor

ATTEST:

City Clerk