



INTER-FUND LOAN AGREEMENT – GENERAL FUND AND AVIATION

PH-18-041A

December 11, 2018

Inter-Fund Loan Agreement

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- Federal government provided the Federal Aviation Administration (FAA) \$ 1 billion for small and nonhub airports
 - ▣ Killeen Fort Hood Regional Airport (KFHRA) is on the list

- Provides that airports with eligible projects can apply for grants
 - ▣ Projects need to designed as soon as practicable to be ready for the grant award
 - ▣ Initial award anticipated February 28, 2019
 - ▣ KFHRA has eligible project in Taxiway B rehabilitation

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- Airport submitted application October 30, 2018
- FAA recommends projects be designed as soon as practicable to be ready for the grant award
- Design cost for project is \$701,400
 - ▣ Project team is ready to commit to project
- Funding mechanism for design is an inter-fund loan agreement from the General Fund to Aviation
- Loan security (paid in full by September 2019)
 - ▣ FY19 Airport AIP entitlement grant
 - ▣ Existing Passenger Facility Charge (PFC)

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□ Alternatives:

- ▣ Approve the inter-fund loan agreement
- ▣ Disapprove the inter-fund loan agreement
 - Airport will not compete for this funding

□ Endorsement:

- ▣ Staff supports alternative 1
 - Provides opportunity for Airport to secure development funds that will not draw down future entitlement funds
 - Enhances Airport future development plans
 - Loan is secured with PFC and FAA entitlement grant funds

Recommendation

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- Approve the inter-fund loan agreement between the General Fund and Aviation, and authorize the City Manager or designee to execute same, as well as any and all amendments as allowed per federal, state, or local law