



STAFF REPORT

DATE: August 7, 2018
TO: Ronald L. Olson, City Manager
FROM: Matthew Van Valkenburgh A.A.E., Executive Director of Aviation
SUBJECT: FAA Grant Acceptance

BACKGROUND AND FINDINGS:

The Killeen Fort Hood Regional Airport (KFHRA) staff and design team have completed the design and bid for the passenger boarding bridge replacement project. Funding for this project will be primarily through a grant from the Federal Aviation Administration (FAA).

The City has been offered an Airport Improvement Program (AIP) grant in the amount of \$4,988,575 to be used for procurement and installation of four (4) passenger boarding bridges and improvements to the terminal building at KFHRA. This grant will fund 90% of the cost of this project; the match for the project is provided through the Passenger Facility Charge (PFC) program.

Acceptance of this grant requires the City to make assurances related to the continued availability of the facility to the public and compliance with a number of Federal Regulations and standards.

THE ALTERNATIVES CONSIDERED:

Alternatives considered: (1) accept the grant and proceed with the project; (2) reject the grant and search for an alternative funding source; or, (3) do not do the project.

Which alternative is recommended? Why?

Alternative 1 is the prudent course of action. The project is 90% funded by the FAA AIP grant; there are no available, reasonable alternative funding sources; and, with the 10% match from the PFC, there is no impact on the Killeen-Foot Hood Regional Airport operating fund.

CONFORMITY TO CITY POLICY:

Yes

FINANCIAL IMPACT:

The total cost of the project is estimated to be \$5,542,861. The Airport Improvement Program grant will cover 90% or \$4,988,575 of the project cost, and the remaining 10% or \$554,286 will

be covered by the Passenger Facility Charge (PFC) Fund. The Killeen-Foot Hood Regional Airport operational fund will not cover any portion of the project's cost.

What is the amount of the expenditure in the current fiscal year? For future years?

The project is estimated to begin in FY 2018 and be completed in FY 2019. The total cost of the project over the two fiscal years is \$5,542,861.

Is this a one-time or recurring expenditure?

This is a one-time expenditure.

Is this expenditure budgeted?

A budget amendment is required.

If not, where will the money come from?

Funding will come from the Airport Improvement Program grant (90%) and the Passenger Facility Charge Fund (10%). There is no impact to the Killeen-Foot Hood Regional Airport operating fund.

Is there a sufficient amount in the budgeted line-item for this expenditure?

Upon approval of the budget amendment.

RECOMMENDATION:

City Council accept Federal Aviation Administration Grant 3-48-0361-027-2018 in the amount of \$4,988,575, and authorize the City Manager to execute all necessary grant documents and to execute any and all amendments within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Grant Agreement