



STAFF REPORT

DATE: June 15, 2021

TO: Kent Cagle, City Manager

FROM: Mike Wilson, Executive Director of Aviation

SUBJECT: FAA AIP Grant Acceptance-Rehabilitate Terminal Capital Equipment System at Killeen-Fort Hood Regional Airport

BACKGROUND AND FINDINGS:

The Killeen Fort Hood Regional Airport (KFHRA) staff submitted an application to the Federal Aviation Administration (FAA) for an Airport Improvement Program (AIP) grant listed on our approved FAA Capital Improvement Plan (CIP) for FY21. The grant is to replace the heating, ventilation and air-conditioning (HVAC) system at the Killeen Fort Hood Regional Airport (KFHRA). The existing system is almost 17 years old and has been experiencing increased maintenance issues over the last few years including some major component failures leading to increased repair costs and impacting the ability to heat and cool the terminal. This project will replace all major components of the HVAC system in the airport terminal including chillers, boilers, water pumps, air handlers, control systems, and other associated components.

The City has been offered an FAA AIP grant in the amount of \$3,898,271 to fund this project, of which \$400 will be allocated for legal advertising, \$204,000 for construction administration/management, and other associated costs, and \$3,693,871 for the contract itself. Under normal circumstances, AIP grants require a 10% match from the airport sponsor. However, the American Rescue Plan Act, signed into law on March 11, 2021, increases the federal share to 100 percent for AIP grants planned for fiscal year 2021.

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

THE ALTERNATIVES CONSIDERED:

Alternatives considered: (1) do not accept the grant; (2) accept the grant.

Which alternative is recommended? Why?

Alternative 2 is recommended. The project is 100% funded by the AIP grant; and there is no impact on the Airport operating fund or fund balance.

CONFORMITY TO CITY POLICY:

Yes

FINANCIAL IMPACT:

Acceptance of this grant will provide revenue up to \$3,898,271 in account number 524-000-332.15-02. A budget amendment will follow.

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

The amount of the expenditures in the current year is \$3,898,271.

Is this a one-time or recurring expenditure?

One-time

Is this expenditure budgeted?

Upon approval of the corresponding budget amendment, funds will be available in 524-0515-521.69-03.

If not, where will the money come from?

The project is grant funded.

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

Upon approval of the corresponding budget amendment

RECOMMENDATION:

City Council accept the Federal Aviation Administration AIP Grant in the amount of \$3,898,271 and authorize the City Manager or designee to execute all necessary grant documents and any and all amendments within the amounts set by state and local law.

DEPARTMENTAL CLEARANCES:

Finance
Legal

ATTACHED SUPPORTING DOCUMENTS:

Grant Offer