TO: City Council  
FROM: Erik Gustafson, Director of Public Works, O&M  
530-894-4202  
RE: Airport Grant Funds for Runway Reconstruction

REPORT IN BRIEF:

On March 23, 2018, the President signed H.R. 1625, the Consolidated Appropriations Act, 2018. The legislation provided the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP) an additional $1 billion in discretionary grants, to enable the Secretary of Transportation to fund grant projects at qualifying airports. Currently, the runway at Chico Municipal Airport (CIC) is identified for reconstruction in 2026. On January 9, 2020, the Chico Airport Manager was notified by the FAA that CIC is eligible for a discretionary grant to accelerate the construction schedule for the runway reconstruction project.

Recommendation: The Public Works Director of Operations and Maintenance recommends that the City Council approve the following resolution accepting the FAA grant funds if formally offered and commit to fund the 10% match of $1,403,500 in FY2020-21.

RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO APPROVING A FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANT FOR THE CHICO MUNICIPAL AIRPORT RUNWAY RECONSTRUCTION PROJECT

FISCAL IMPACT:

If approved, grant funds from the FAA (90%) will be $12,631,500 and the City's match funds (10%) is $1,403,500. City match funds will need to be funded during the FY 2021.

BACKGROUND:

Until 2014, Chico Municipal Airport (CIC) enjoyed commercial airline service and was eligible for $1 million in AIP entitlement funding each year. Since airline service has temporarily ceased, the CIC is eligible to only receive about $150,000 in AIP entitlement funds each year. Once commercial air service returns CIC hopes to again qualify for the estimated $1 million in AIP funding and aggressively improve infrastructure items at the Airport.

On March 23, 2018, the President signed H.R. 1625, the Consolidated Appropriations Act, 2018. The legislation provided the FAA AIP an additional $1 billion in discretionary grants, to enable the Secretary of Transportation to make grants for projects as authorized by subchapter 1 of chapter 471 and subchapter 1 of chapter 475 of title 49, United States Code. The Act also stipulated that the Secretary give priority consideration to projects at: (a) nonprimary airports that are classified as Regional, Local, or Basic airports and not located within a Metropolitan or Micropolitan Statistical Area as defined by the Office of Management and Budget; or (b) primary airports that are classified as Small or Non-hub airports.

A Pavement Management Plan (PMP) conducted at CIC in 2017 showed that asphalt on the main runway will fail in 2026 and Taxiway A will fail in 2023 due to overall age and pavement stress issues. The runway measures 150' wide x 6,724' long and is rated to accommodate C3 aircraft. Taxiway A reconstruction started in spring of 2019 and phase 1 was completed during the Summer construction season. Taxiway A phase 2 is scheduled for Summer of 2021.

Runway reconstruction has been identified in the long-term Airport Capital Improvement Program (ACIP) and was previously scheduled for design in FY23-24. Construction is tentatively scheduled for two phases starting in
FY24-25 and FY25-26. Current estimates for the full runway reconstruction project are $14,035,000 so a phased approach was considered due to costs and the probability of segmented funding from the FAA.

DISCUSSION:

On January 9, 2020, the Airport Manager received a call from the FAA advising that the City is eligible to receive runway improvement funds now. The FAA has monies available from the Consolidated Appropriations Act funding and is looking for Airport sponsors that meet the priority consideration criteria, can quickly complete identified projects, and are able to meet match fund requirements. The funding available from the FAA is 90% of the project cost at $12,631,500. Coupled with the required 10% match funds from the City of $1,403,500, the total project cost could be funded to $14,035,000.

In order to be considered for this opportunity FAA representatives requested approval within 24 hours. However, given the Council schedule, the FAA agreed to an extension until January 22, 2020 in order for Council to consider the offer and commit to funding the match component of the project at $1,403,500 (10%). It is important to note that if this immediate funding opportunity is accepted, staff would work with the City's contract engineering firm, C&S Companies Engineering to complete design/environmental in the Summer of 2020 and schedule construction during the Summer of 2021. Therefore, the 10% match funding would be required during next fiscal year (FY20-21).

There are many advantages to accelerating this project and completing the runway at once. With the previously identified phased approach, many hardships and economic impacts would be realized by closing the runway for an extended period of time on two separate occasions. By completing the project all at once, disruptions and closures are minimized and there are potential cost savings due to reduced mobilization costs. Completing this project would keep CIC as a robust firefighting base for the City's State, Federal, and private partners. A new runway would continue to bolster aviation related economic growth and position the CIC well for new commercial air service.

There is still a potential that CIC will not receive this funding and an accelerated project schedule. At this time the FAA is asking if the City could accept the funding if approved and meet the 10% match requirements by the project construction year.

Reviewed by:  
Erik Gustafson, Director of Public Works, O&M.

Approved and Recommended by:  
Mark Orme, City Manager

DISTRIBUTION:  
City Clerk (3)  
Airport Commission (5)

ATTACHMENTS:  
Resolution
RESOLUTION NO. ________

RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO
APPROVING A FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANT
FOR THE CHICO MUNICIPAL AIRPORT RUNWAY RECONSTRUCTION PROJECT

WHEREAS, on March 23, 2018, the President signed H.R. 1625, the Consolidated
Appropriations Act, 2018; and

WHEREAS, the legislation provided the Federal Aviation Administration’s (FAA)
Airport Improvement Program (AIP) an additional $1 billion in discretionary grants, to enable
the Secretary of Transportation to make grants for projects as authorized by Subchapter 1 of
Chapter 471 and Subchapter 1 of Chapter 475 of Title 49 in the United States Code; and

WHEREAS, the FAA is entering round two of application awards; and

WHEREAS, the Chico Municipal Airport’s main runway needs reconstruction and
requires funding for the project; and

WHEREAS, the City of Chico wishes to be prepared to accept a grant in the amount of
$12,631,500, if offered by the FAA; and

WHEREAS, the City must provide a grant match of $1,403,500 for the project.

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Chico that
the Council:

1. Approves the acceptance, if offered, of an AIP grant of $12,631,500 for the “Chico
Municipal Airport Runway Reconstruction (Runways 13L-31R)” project; and

2. Certifies that the City of Chico has or will have sufficient funds to provide the match
funding required by the FAA; and,

3. Certifies that funds under the jurisdiction of the City are available to maintain the project.
4. Certifies that the City will expend the grant funds in accordance with all applicable AIP grant funded project requirements.

5. Authorizes the City Manager or designee to accept the grant funds, and execute and submit all documents including, but not limited to, applications, agreements, amendments, and payment requests which may be necessary for the completion of the aforementioned project.

**THE FOREGOING RESOLUTION WAS ADOPTED** by the Council of the City of Chico at its meeting held on ______________, 2020, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

DISQUALIFIED:

ATTEST:

Deborah R. Presson
City Clerk

Andrew L. Jared
City Attorney*

*Approved pursuant to The Charter of the City of Chico § 906(E)