



CITY COUNCIL STAFF REPORT

DATE: January 21, 2009

CONSENT CALENDAR

SUBJECT: ACCEPT AIRPORT IMPROVEMENT PROJECT FEDERAL GRANT IN AN AMOUNT NOT TO EXCEED \$4,000,000 TO IMPROVE TERMINAL COMPLEX - PHASE II - AIP 3-06-0181-44

FROM: David H. Ready, City Manager

BY: Department of Aviation

SUMMARY

Palm Springs International Airport (PSP) receives its federal grants under the Federal Aviation Administration's (FAA) Airport Improvement Program (AIP). It is anticipated that the airport will continue to receive entitlement funding sometime this calendar year but no later than September 30, 2009, and this action authorizes the acceptance of the grant.

RECOMMENDATION:

1. Authorize the City Manager to accept Federal Aviation Administration (FAA) Grant No. 3-06-0181-44 in an amount not to exceed \$4,000,000 to improve the Terminal Complex - phase II
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

It was agreed upon with the FAA last year that the terminal project Phase II would be funded by using two consecutive years of entitlement grant funding. The second year of that funding is expected this year and the total amount is not expected to exceed \$4,000,000. The City will be required to accept the grant within five (5) days of the offer.

The City received the first year of entitlement funding last year as AIP 43 for \$2,768,730 for the Improve Terminal Complex Project. Based on information from the FAA, it is possible that this year's entitlement will be in the range of \$3,778,683 and it may likely be

Item No. **2.G.**

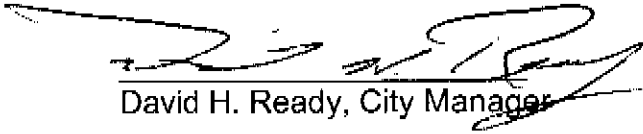
awarded in two phases because of the way authorization for DOT funding is funneling out of Washington D.C.

FISCAL IMPACT:

The FAA grant will fund 95% of eligible project costs, the remaining 5% plus all ineligible costs of the Improve Terminal Complex Project are funded with the current FY 08/09 415 Capital Budget.



Thomas Nolan A.A.E., Executive Director – Airport



David H. Ready, City Manager