

SUBMITTED BY: Luis Pedroza, Deputy City Manager/City Treasurer

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Advanced Infrastructure Development and Improvement

ORGANIZATIONAL IMPROVEMENTS: EnterTextHere

SUBJECT: **RESOLUTION NO. 23-1540**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **AUTHORIZING** the City of Douglas to enter into a **REIMBURSABLE GRANT AGREEMENT** with the **ARIZONA DEPARTMENT OF TRANSPORTATION** in the amount of \$1,500,000 for **RUNWAY REHABILITATION** of Runway 3-21 at the **DOUGLAS MUNICIPAL AIRPORT** as part of ADOT's Airport Capital Improvement Program.

EXECUTIVE SUMMARY:

The City of Douglas applied for its annual 5-year ADOT Aeronautics Capital Improvement Plan for runway rehabilitation funds of \$500,000 for years 1 through 3 for a total of \$1,500,000 at the Douglas Municipal Airport. on January 20, 2023 ADOT announced that the City would be awarded the reimbursable grant of \$1,500,000 with a zero-matching requirement for this project.

BACKGROUND:

The Douglas Municipal Airport runway is in great need of rehabilitation, currently displaying a 20 rating (out of 100) on the pavement condition index (PCI). The runway is 5,760 feet in length and 75 feet wide and in need of an entire surface treatment to rehabilitate large cracks and make the runway safe and comfortable for aircraft landings.

The City was offered a grant in the past for \$1.8 million with a 10% match in 2020. This grant was meant for reconstruction of the runway, which at the time was estimated at \$4.4 million. The funds were not able to be used for rehabilitation, due to the required \$2.78 million matching for this project. Therefore, after careful consideration, the City had to rescind the grant for not having the available matching funding requirement.

The \$1,500,000 ADOT grant is for runway rehabilitation and would allow for a mill and overlay project. Although the engineers recommended to do a full reconstruction of the runway, this surface treatment can alleviate the immediate safety concerns of the Airport within acceptable pricing.

We have received a contractor verbal quote that is within \$1.5 million. A formal quote is pending. The City will need to contract engineering, to provide design and construction oversight of the project. We will seek qualified engineers and don't expect this to be more than 10-15% of the construction cost.

Any project overages will need to be funded by the City. The City submitted another grant in the amount of \$750,000 with a 1:1 matching amount for runway preservation through a Saving America's Treasures preservation federal grant program. Award announcement are expected in the Spring. In addition, if the land sale around the Airport is approved, the City may request that project overages costs be funded by the buyer.

DISCUSSION:

This grant would allow the airport runway rehabilitation which hasn't seen any major surface treatment since 1997. Preservation of the Airport and its operations hinge upon having a working runway that is safe for aircraft landings, to allow more traffic to the Airport and preserve the historical Douglas Municipal Airport. Staff recommends acceptance of this grant agreement with ADOT Aeronautics.

FISCAL IMPACT:

\$1,500,000 in revenue from ADOT Grant for reimbursable expenses. City would need to come up with any project overages above \$1.5 million from the City's General Fund.

Fiscal Year: 2022/2023

Amount Requested: \$0

Budgeted: Y / N

Account (s):

“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE RESOLUTION NO. 23-1540.”