



*Where Life is Sweet*

Mayor and Members of the City Council  
**STAFF REPORT**  
For the Meeting of February 26, 2024

### **Title/Subject**

Resolution 2312- Airport Hangar Taxilane Improvements

### **Summary and Background**

This project will replace taxilanes at the airport which will serve a new enclosed hangar.

A set of "Open-T" hangars were built at the airport in 1982. These "hangars" consist only of a metal roof to provide protection from sun and moisture. These units are not popular with the aviation community due to their ineffectiveness against blowing sand and moisture. They are un-popular enough that there has long been an active waiting list for enclosed T-Hangars while the Open-T hangars sit at least 50% vacant. Many pilots simply keep their aircraft elsewhere rather than pay to use an Open-T.

Construction of additional enclosed hangars has been on the Airport Master Plan for many years, but the risk/reward calculation made it challenging. Additionally, there has historically never been any grant funding available for hangar facilities, as the FAA and State of Oregon highly prioritize funding for core airport infrastructure like runways and taxiways.

With the adoption of the Bipartisan Infrastructure Law (BIL), the Hermiston Airport was automatically allocated approximately \$950,000 of funding which is outside of the typical FAA requirements and restrictions; providing a unique opportunity to use grant funding to construct hangars.

Replacement of the Open-T Hangars with a 10-Unit enclosed hangar was therefore designed. Replacement on-site of the existing hangars allows for more efficient use of the airport space while saving future cost by leveraging grant funding to rebuild taxiways to access the hangars which have deteriorated to either "serious" or "failed" condition.

The overall project has been split in to two separate projects, one for rebuilding the taxilanes, and one for construction of the hangars themselves. Splitting this in to two projects allows the airport to apply twice for State of Oregon "COAR" grant funding, which has an award limit of \$250,000 per project. In early February, the Oregon Transportation Commission approved \$250,000 COAR grants for both the taxilane project and hangar construction project.

**Tie-In to Council Goals**

Goal #3: City Facilities: Public facilities that meet the community needs of today and the future

**Fiscal Information**

Grant Funds Available:	\$1,450,000
Taxilane Construction:	-\$467,388.61
<u>Hangar Construction:</u>	<u>-\$1,416,210</u>
Local Match:	\$433,598.61

The current estimate for hangar construction will become a real bid number on February 22. It is hoped that, based on current bidding environment, that figure will come in below the engineer’s estimate. Based on current estimates, the overall project of taxilane construction and hangar construction will require a local match of \$433,598.

It is estimated that, when accounting for the small amount of lost revenue from existing Open-T leases, offset by increased rents and occupancy associated with the new enclosed hangars, that the Airport will see a net increase in annual hangar rents of approximately \$26,000 per year.

Bids for the Taxilane construction portion were opened on 2/15/24, with the following bids received:

<b>Bidder</b>	<b>Base Bid</b>	<b>Additive Bid</b>	<b>Grand Total</b>
American Rock Products	\$625,930.00	\$17,000.00	\$642,930.00
Silver Creek Contracting	\$549,634.92	\$25,018.02	\$574,652.94
Granite Construction	\$513,098.50	\$24,500.00	\$537,598.50
Nelson Construction	\$503,465.00	\$21,900.00	\$525,365.00
Bolen Construction	\$438,088.61	\$29,300.00	\$467,388.61

It should be noted that the Additive Bid is the cost to demolish and remove the existing Open-T hangar. City Staff advertised the hangar for removal, and received a winning bidder who paid \$130 for the building. That bidder will have the ability to deconstruct and remove the old building in March. The additive bid is a guarantee in the event that there remains some removal items; otherwise it is anticipated that surplusing the existing building will save the project approximately \$29,000.

**Alternatives and Recommendation**

Alternatives

1. Award the taxilane improvements project to the lowest bidder.
2. Reject all bids and re-advertise.

**Recommended Action/Motion**

Motion to approve Resolution 2312

**Submitted By:**

Mark Morgan