



Where Life is Sweet

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

Title/Subject

Resolution 2316- Airport Hangar Construction

Summary and Background

This project will construct a new set of 10 enclosed T-Hangars at the airport.

Resolution 2312 awarded a contract for taxilane construction associated with this project.

See additional background in Resolution 2312 from February 26.

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
Hangar Construction:	-\$898,362.48
Local Match:	\$84,248.91

The Airport was allocated \$950,000 in grant funding from the federal Bipartisan Infrastructure Law in 2021, and the State of Oregon has awarded \$500,000 toward this project as well.

It is estimated that the Airport will see a net-increase in hangar lease revenue of approximately \$25,000 per year as a result of higher rents charged for the new enclosed hangars. Therefore, it will take approximately 3.5 years to begin seeing a profit from this project in addition to providing a higher level of service to the local aviation community.

Bids were opened related to the Hangar Construction portion of the project on February 29, with the following results:

- Lorentz Bruun Construction: \$2,571,964.00
- 2KG Construction: \$1,204,000.00
- *Engineer's Estimate*: \$1,148,200.00

- Gyllenberg Construction: \$1,017,184.00
- Silvercreek Contracting: \$898,362.48

Based on a review of the bids by Precision Approach Engineering, it is recommended to award the contract to Silvercreek Contracting.

Alternatives and Recommendation

Alternatives

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

Recommended Action/Motion

Motion to approve Resolution 2316

Submitted By:

Mark Morgan