

**ROCHELLE CITY COUNCIL
AGENDA ITEM MEMO
REGULAR MEETING**

SUBJECT: Ordinance approving the base bid for the construction of one new 8-Unit T-Hangar and the alternate bid for pavement site work from Bruns Construction in the amount of \$1,736,696.90

Staff Contact: Tim Isley

Summary: Rochelle Municipal Airport has seven airplane hangars housing over forty aircraft. Five of these hangars (A, B, C, D, E) are T-Hangars. Two of these hangars, FBO & Community, are Box Hangars. All aircraft hangars at Rochelle's Airport are being rented, and we currently have fifteen aircraft on a waiting list for an available hangar.

Hangars B, C, and D, were constructed in 1963. These are the oldest hangars at the airport. All of these hangars are all wooden frame hangars and each one houses six aircraft. Hangar A is a Behlen building that was constructed in 1970. This is the Airport's first all-steel T-Hangar, and it houses 6 aircraft. Hangar E is newest T-Hangar, this is an Erect-a-tube, all-steel building that was constructed in 1991 and houses 6 aircraft. The FBO and Community Hangars are open floor plan box hangars that can house multiple aircraft. The Community Hangar is Rochelle's newest aircraft hangar and was constructed in 2009.

Hangaring aircraft is a vital source of revenue for Rochelle's Airport. Building another hangar and having more aircraft based at Rochelle's airport not only helps increase monthly revenue from renting more hangars, but it will also help increase federal and state funding dollars the city receives as some of this funding is determined by the number of airport operations (takeoff & landings) performed at the airport on an annual basis. Another anticipated benefit is an increase in fuel sales from having additional aircraft based at the airport.

City staff worked with Hanson Engineering on the design and planning of a new 8-unit T-Hangar. This project consists of the construction of a new 8-unit T-Hangar with concrete floors and bi-fold doors, lights, and receptacles. Associated work items include site preparation and grading, pre-engineered steel building erection, concrete slab-on-grade construction, concrete perimeter slab, hangar and site electrical, erosion control, and site restoration. This project includes an Additive Alternate for constructing HMA access taxilane.

The construction of one new 8-Unit T-Hangar and pavement site work was advertised for bids with a bid opening date of April 23rd, 2025. No bids were received on this date. The project was advertised once again with a second bid opening date set for August 8th, 2025. One bid for the construction of one new 8-Unit T-Hangar including an additive alternate for pavement site work was received from Bruns construction with a base bid amount of \$1,535,870.00 and an additive alternate bid for \$200,826.90.

The base bid for this project came in 28.25% percent above the engineers’ cost estimate. The additive alternate bid came in 21.87% below the engineers cost estimate. With this bid being above the engineers cost estimate staff reached out to officials at IDOT Aeronautics and other consultants in this field to compare results from similar projects and found many new construction hangar bids have gone above engineer cost estimates, mainly due to market uncertainties, inflation, and steel tariffs.

This project will be funded from a general obligation bond (alternate revenue source) series 2026 that was brought to and approved by Rochelle City Council on November 24th, 2025. Once this project has been completed, the city will receive \$1,204,737 in grant funding towards the overall cost of the 8-unit T hangar. \$720,000 of grant funding is from the Bipartisan Infrastructure Bill passed by Congress in 2021. BIL/IIJA funding was distributed over a five-year period and is unique in that it can be used for revenue generating projects like a T hangar. It is unknown when, or if ever, funding of this type will come around again, which is why we are proposing to construct this new 8-unit T hangar at this time. Allocated BIL/IIJA funding must be used within three years of the issuance date, or the funding stats to expire. The remaining balance of this project will be paid with airport revenues generated from property tax, property and hanger rent, and fuel sales.

Funding Sources:

Source:	Budgeted Amount:		Proposed Expenditure:
57-00-89000	2,000,000.00		\$1,736,696.90

Strategic Plan Goal Application: Develop and implement plans to replace/repair infrastructure.

Recommendation: Consider approving an ordinance approving the base bid for the construction of one new 8-Unit T-Hangar and the alternate bid for pavement site work from Bruns Construction in the amount of \$1,736,696.90