



Staff Report

File #: 17-457

Version: 2

Date: 9/25/2017

Item #: 3.3b.

TO: Mayor and City Council

THROUGH: Steve Powers, City Manager

FROM: Kristin Retherford, Urban Development Director

SUBJECT:

State of Oregon Critical Oregon Airport Relief (COAR) Grant Application for Construction of Runway 13/31 Rehabilitation Project

Ward(s): 2

Councilor(s): Andersen

Neighborhood(s): SEMCA

ISSUE:

Shall the City Council authorize the City Manager to apply for and accept Critical Oregon Airport Relief (COAR) Program grant funds to be used for the construction of Runway 13/31 rehabilitation project?

RECOMMENDATION:

Authorize the City Manager to apply for and accept Critical Oregon Airport Relief (COAR) Program grant funds to be used for the construction of Runway 13/31 rehabilitation project.

SUMMARY AND BACKGROUND:

In 2015 the Oregon State Legislature passed House Bill 2075 which increased the fuel tax on Aviation Gas and Jet Fuel by .02 cents per gallon to invest in aviation for specific purposes, including a program to assist airports with grant match requirements for Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants. Each grant application and successful award provides up to \$150,000 in funds to match AIP grants.

On December 5, 2016, the Salem City Council approved a request for the City Manager to apply for and accept FAA AIP grant funds for the purpose of rehabilitating Runway 13/31 at the Salem Municipal Airport. On August 3, 2017, the FAA grant awarded a grant to Salem totaling \$3,290,168 with the required 10% local match coming from a combination of Airport and General Fund

contingencies. A successful application and award from the COAR grant program would help offset the required matching funds.

FACTS AND FINDINGS:

- Total original project cost was estimated at \$3.93 million, with federal share expected to be \$3.54 million and the local 10% grant match expected to be \$393,000. After project design was completed and cost estimates revised, the current project cost has decreased to \$3.65 million with the local ten percent match expected to be \$365,574.
- A successful COAR grant award would offset the required \$365,574 local match by \$150,000.
- COAR grants require a 25% local match, or \$37,500, which would be paid out of Airport operations funds.
- The use of COAR grant funds is restricted to only the scope of the specified capital project for which the FAA has already reviewed and formally approved. Funds cannot be used for any other capital projects or for general airport operations and maintenance.
- Council authorization is required to apply for and accept State grant funds. A copy of the grant application template is attached (Attachment 1).
- COAR grant application deadline is October 2, 2017.

John Paskell
Airport Manager

Attachments:
Grant Template.

09/07/2017