

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services Agency	(2) MEETING DATE 9/24/2013	(3) CONTACT/PHONE Richard Howell 781-5205	
(4) SUBJECT Request to create a new capital project for development of final construction documents for the new terminal at the San Luis Obispo County Regional Airport and authorize a budget adjustment in the amount of \$584,250 from a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant and \$30,750 from the Passenger Facility Charge (PFC) fund to the Terminal Construction Design project.			
(5) RECOMMENDED ACTION It is recommended that the Board: <ol style="list-style-type: none"> 1. Approve creation of a capital improvement project to create final construction documents (CD) for the new terminal at the San Luis Obispo County Regional Airport, and 2. Authorize a budget adjustment in the amount of \$584,250 from Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant and \$30,750 from the Passenger Facility Charge (PFC) fund to the Terminal Construction Design project. 			
(6) FUNDING SOURCE(S) FAA \$584,250 (95%) PFC \$ 30,750 (5%)	(7) CURRENT YEAR FINANCIAL IMPACT \$615,000	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input checked="" type="checkbox"/> Board Business (Time Est. <u>20 min</u>)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) 19001338		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: 1314025 <input checked="" type="checkbox"/> 4/5th's Vote Required <input type="checkbox"/> N/A	
(14) LOCATION MAP Yes	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 9/6/2011, 8/2/2010, 3/6/12, 7/23/13	
(17) ADMINISTRATIVE OFFICE REVIEW			
(18) SUPERVISOR DISTRICT(S) -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services Agency / Richard Howell
781-5205

DATE: 9/24/2013

SUBJECT: Request to create a new capital project for development of final construction documents for the new terminal at the San Luis Obispo County Regional Airport and authorize a budget adjustment in the amount of \$584,250 from a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant and \$30,750 from the Passenger Facility Charge (PFC) fund to the Terminal Construction Design project.

RECOMMENDATION

It is recommended that the Board:

1. Approve creation of a capital improvement project to create final construction documents (CD) for the new terminal at the San Luis Obispo County Regional Airport, and
2. Authorize a budget adjustment in the amount of \$584,250 from Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant and \$30,750 from the Passenger Facility Charge (PFC) fund to the Terminal Construction Design project.

DISCUSSION

Background

The new terminal development process has been ongoing for several years. Following is a summary of actions taken by the Board, since the County accepted grant funding in August 2010:

On August 18, 2010, with the Board's approval, Airport Services accepted a grant under the Federal Aviation Administration (FAA) Airport Improvement Program (AIP) for Design Services of a new terminal building.

On September 6, 2011, the Board approved a Master Contract with Reynolds, Smith & Hills (RS&H) for Aviation General Consulting Services to the Airport. One of the projects identified in this contract was design/development of a potential new terminal building.

On March 6, 2012 the Board approved a three phased New Terminal Design Development project. The project funding comes from an AIP grant and Passenger Facility Charges (PFC) collected from enplaning passengers to meet the local share requirements. As each Phase is completed, Airport Management was to return to your Board to provide updates and receive approval to continue onto the next Phase.

Phase 1 – Conduct Terminal Area Plan consisted of:

- Terminal Area Analysis
- Terminal Area Concept Alternatives
- Development of cost estimates
- Development of Funding Plan
- Existing Terminal Re-Use Recommendations

On March 5, 2013 the Board accepted the results of Phase 1 of Terminal Design Development and approved the request to move to Phase 2 Schematic Design. Airport Services and its consultant, RS&H completed the second phase in June 2013

Phase 2 – Schematic Design consisted of:

- Site Plan Alternative Configurations
- Floor Plan Alternative Configurations
- Architectural Design
- Engineering Design
- Schematic Design Report
- Cost Estimate Budget Development / Continuing Financial Analysis

On July 23, 2013 the Board accepted the results of Phase 2 of Terminal Design Development and approved the request to move to Phase 3 Design/Development. Completion of Phase 3 is anticipated in mid-October 2013 which will conclude the New Terminal Design Development project with a 60% developed set of construction drawings.

Phase 3 – Design Development consists of:

- Performance of this task is based on the approved Schematic Design documents and will further refine the design and establish the scope, relationships, forms, size and appearance of the project through plans, sections, elevations, details and outline specifications.

The next step in the new terminal development process is creation of a full set of construction documents (CD). While Phase 3 of the design project has yet to be completed, there is a need to approve creation of this project, Passenger Terminal Construction Documents #330020, in advance. Funding for 95% of this project is coming from an existing Federal Aviation Administration (FAA) grant issued in the fall of 2010 as well as Passenger Facility Charges (PFC) for the 5% local share currently in place. FAA grants are only valid for three years. The Design Project got a late start due to the time it took to acquire the Aviation General Consultant, Reynolds, Smith & Hills (RS&H). Additionally Phase 1 took more time than anticipated due to the time necessary to coordinate participation by the existing terminal tenants. As a result, we are approaching the time for the grant to expire.

Airport Management has met with FAA officials regarding the grant timing. FAA is committed to completing the construction documents, but requires the grant to be closed by the end of calendar year 2013. The County would face considerable challenges for obtaining replacement grant funding for construction from the FAA should we fail to draw down this grant by the end of the year.

The Design Team (Airport Services and RS&H) has developed a schedule to create CDs to meet the year-end deadline, but time is of the essence. Approval of this project now would allow RS&H to begin creating the internal teams and processes necessary to complete the work within the necessary timeframe. Should the Board accept the results of Phase 3 in October 2013, the design team will be in position to move expeditiously to use remaining grant funds by year end and complete the CDs.

Should the Board elect not to accept Phase 3 of New Terminal Design Development Project or, anytime during the CD project, elect to not pursue terminal development then the project can be stopped. The consultant would be paid for work completed with grant/PFCs available and the remaining grant returned to FAA.

Project Considerations

The advantages of approving the project to create construction documents (CD) are:

- Provides the ability to set up necessary teams and processes to begin work on CD immediately should the Board approve Phase 3 of the New Terminal Design Development anticipated being complete by mid-October.
- Ensures opportunity to use some of the remaining grant by year end.
- Ensures completion of CD project.
- Completion of project does not commit County to construction of a new passenger terminal.

The disadvantages of not approving the project to create construction drawings for the new terminal are:

- Waiting to complete Phase 3 of current design project will create timing issues and will severely constrain the ability of the design team to complete the grant draw down by year end.
- Grant funding will no longer be available at year end. Any remaining work not committed to the grant beyond that point would have to be funded by Airport Services.
- Failing to successfully complete the work and grant draw will adversely impact the ability of the County to acquire FAA funding for construction should the Board decide to go this direction.

OTHER AGENCY INVOLVEMENT/IMPACT

Federal Aviation Administration provides AIP grant funding.

FINANCIAL CONSIDERATIONS

The project to create construction documents will be funded largely with remaining FAA AIP grant funds, with a 5% County share, covered with Passenger Facility Charges (PFC). The anticipated amount of grant funding to be remaining at the completion of the Design/Development project is \$1,006,148. The estimated cost of the project to create construction documents is \$615,000, paid for as follows:

Source of funding for Construction Drawing Project:

FAA Share (95%)	\$584,250
PFC Share (5%)	\$30,750
Total	\$615,000

Airport management has met with the FAA to discuss completing the project and closing out the grant. After using \$584,250 of the \$1,006,148 in remaining grant funds, it is anticipated that \$421,898 in unused grant funds will be returned to the FAA upon the grant's expiration at the end of 2013.

RESULTS

Approval of this project in advance of the design/development completion will maximize the ability of the County to utilize existing grant funding to complete the design process to a final set of construction documents. It will also position the County well for further acquisition of funding should a decision be made to construct a terminal building.

ATTACHMENTS

1. Vicinity Map