

AGENDA REPORT

TO: Mayor & City Commissioners
FROM: Ken Hibl, City Manager
DATE: May 12, 2010
RE: MDOT Federal/State/Local Airport Project Grant

For the Agenda of May 17, 2010

Background. By adoption of its Resolution 2008-016 (*see att'd copy*), the City Commission approved a Business Plan to support a request to the Michigan Bureau of Aeronautics, MDOT, for construction of a new City-owned hangar building, which was a priority project listed on the City's Five-Year Development Plan for the Clare Municipal Airport.

MDOT subsequently offered and by adoption of its Resolution 2009-017 (*copy att'd*), the City accepted an Airport Block Grant Contract to design the proposed hangar project. MDOT further offered the City an Airport Block Grant to defray all but 2.5% (\$7,087) of the cost (\$283,444) of constructing the T-Hangars; the City accepted the grant by adoption of its Resolution 2009-101 (*copy att'd*).

Federal entitlement funds were not available to defray the costs of constructing the hangar at time of construction commencement; consequently, the City agreed to pay for a significant portion (\$150K) of the construction costs from its General Fund with the understanding that the City would receive reimbursement when federal entitlement funds were available. The State of Michigan has received an allocation of federal entitlement funds, thus MDOT has offered the City a contractual agreement (*copy of contract extract attached*) to facilitate reimbursement to the City for its share of construction costs of the hangar. The City Commission is requested to approve the proposed contractual agreement to allow the reimbursement process to proceed.

Issues & Questions Specified. Should the City Commission approve the proffered grant contract?

Alternatives.

1. Approve the grant contract.
2. Do not approve the grant, thereby denying the City the proffered reimbursement.
3. Set aside decision regarding this matter to a later date.

Financial Impact. If the Commission approves the contract, we should receive reimbursement totaling \$146,250 (\$150K minus our required 2.5% local match).

Recommendation. I recommend that the City Commission approve the proposed grant contract by adoption of Resolution 2010-041 (*copy att'd*).

Attachments.

1. Resolution 2008-016.
2. Resolution 2009-017.
3. Resolution 2009-101.
4. Extracts of Grant Documents.
5. Resolution 2010-041.



STATE OF MICHIGAN
DEPARTMENT OF TRANSPORTATION
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

KIRK T. STEUDLE
DIRECTOR

April 28, 2010

Ken Hibl, City Manager
City of Clare
202 West Fifth Street
Clare, Michigan 48617-1490

Dear Mr. Hibl:

SUBJECT: Clare Municipal Airport
Clare, Michigan
Fed. Proj. No. B-26-0020-2110
MDOT Contract No. 2010-0274

Enclosed are the original and one copy of the above-described contract between your organization and the Michigan Department of Transportation. Please take time to read and understand this contract (**noting the special conditions in Appendix F**). If this contract meets with your approval, please complete the following checklist:

- _____ **PLEASE DO NOT DATE THE CONTRACTS.** MDOT will date the contracts when they are executed. (A contract is **not** executed unless both parties have signed it.)
- _____ Secure the necessary signatures on both contracts.
- _____ **Include a certified resolution/authorization that specifically names the official(s) authorized to sign the contract.** One must be submitted even though you may have submitted one to us in the past.
- _____ If applicable, please provide any credit documentation to the project manager as soon as possible.
- _____ Return both copies of the contract to my attention at the address below for execution by MDOT. In order to meet the scheduled project start date and/or timely processing of project costs, **please return the contract by June 2, 2010.** One fully executed contract will be forwarded to you.

If you have any questions, please call me at 517-335-9960.

Sincerely,

Susan Panetta, Contract Administrator
Bureau of Aeronautics and Freight Services

Enclosures

cc: Laura Wise
File
DAB 5-18-10

RESOLUTION 2008-016

A RESOLUTION OF THE CLARE CITY COMMISSION DESIGNATING TWO CITY PLAYGROUNDS AS SMOKE-FREE AREAS.

WHEREAS, Section 30-71 of the Ordinance Codes of the City of Clare prohibits smoking of any substance within 25 feet of any area designated as smoke-free; and

WHEREAS, the City's Parks & Recreation Advisory Board has recommended to the Clare City Commission that two of the City-owned playgrounds (Imagination Gateway & Shamrock Park Playground) be designated as smoke-free areas to preserve and protect the health and welfare of all individuals utilizing said City-owned facilities, particularly the youth using said facilities.

NOW THEREFORE BE IT RESOLVED that the City Commission of the City of Clare hereby designates the Imagination Gateway Playground at Brookwood Park and the Shamrock Park Playground at Shamrock Park as smoke-free areas.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

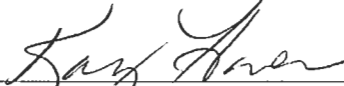
The Resolution was introduced by Commissioner Jennifer Dancer supported by Commissioner Jean McConnell. The Resolution declared adopted by the following roll call vote:

YEAS: Jennifer Dancer, Tom Koch, Jean McConnell and Pat Humphrey

NAYS: None

ABSENT: Bill Horwood

Resolution approved for adoption on this 18th day of February 2008



Kay Haven, City Clerk

RESOLUTION 2009-017

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A CONTRANT FOR A FEDERAL/STATE/LOCAL AIRPORT PROECT UNDER THE BLOCK GRANT PROGRAM.

WHEREAS, by adoption of its Resolution 2008-116, the Clare City Commission approved a Business Plan for construction of a new City-owned airplane hangar at the Clare Municipal Airport; and

WHEREAS, said business plan was submitted to the Michigan Department of Transportation and was approved, thereby resulting in the offer by the Michigan Bureau of Aeronautics, MDOT of an Airport Improvement Program (AIP) grant to facilitate the reimbursement of the costs of design of said hangar building; and

WHEREAS, the City of Clare has reviewed the terms and conditions of said AIP grant offer and determined its acceptance is in the best interests of the City.

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves MDOT Airport Improvement Grant Contract No. 2009-0195 and agrees to abide by all terms and conditions stipulated therein, said Project Number being D-26-0020-1908.

BE IT FURTHER RESOLVED THAT the City authorizes its City Manager to execute any and all documents related to said project.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INsofar AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner Jean McConnell and supported by Commissioner Bill Horwood. The Resolution declared adopted by the following roll call vote:

YEAS: Bill Horwood, John Koch, Tom Koch, Jean McConnell and Pat Humphrey

NAYS: None

ABSENT: None

Resolution approved for adoption on this 2nd day of March 2009.



Kay Haven, City Clerk

RESOLUTION 2009-101

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A CONTRANT FOR A FEDERAL/STATE/LOCAL AIRPORT PROECT UNDER THE BLOCK GRANT PROGRAM.

WHEREAS, by adoption of its Resolution 2008-116, the Clare City Commission approved a Business Plan for construction of a new City-owned airplane hangar at the Clare Municipal Airport; and

WHEREAS, said business plan was submitted to the Michigan Department of Transportation and was approved, thereby resulting in the offer by the Michigan Bureau of Aeronautics, MDOT of an Airport Improvement Program (AIP) grant to facilitate the reimbursement of the costs of design of said hangar building; and

WHEREAS, by adoption of its Resolution 2009-017, the Clare City Commission accepted said grant offer for design of said hangars; and

WHEREAS, the City of Clare has now been offered a Michigan Department of Transportation (MDOT) contract for a federal/state/local airport project grant contract for construction of Phase 1 of said airport hangar project; and

WHEREAS, the City Commission has reviewed the terms and conditions of said grant contract offer and determined its acceptance is in the best interests of the City.

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves MDOT Airport Improvement Grant Contract No. 2009-0709 and agrees to abide by all terms and conditions stipulated therein, said Project Number being B-26-0020-2009.

BE IT FURTHER RESOLVED THAT the City authorizes its City Manager to execute any and all documents related to said project.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.


The Resolution was introduced by Commissioner Bill Horwood and supported by Commissioner Tom Koch. The Resolution declared adopted by the following roll call vote:

YEAS: Jean McConnell, Bill Horwood, John Koch, Tom Koch and Pat Humphrey

NAYS: None

ABSENT: None

Resolution approved for adoption on this 21st day of September 2009.



Diane Schmidt, City Clerk

The SPONSOR further agrees that it will comply with 49 CFR, Part 26, as amended, and will report any and all DBE subcontractor payments to the DEPARTMENT semi-annually in the format set forth in Appendix G, dated June 1, 2001, attached hereto and made a part hereof, or any other format acceptable to the DEPARTMENT.

7. In the performance of the PROJECT herein enumerated, by itself, by a subcontractor, or by anyone acting on its behalf, comply with any and all state, federal, and local applicable statutes, ordinances, and regulations. The SPONSOR further agrees to obtain all permits that are applicable to the entry into and the performance of this Contract.

The SPONSOR agrees to comply with the Special Conditions set forth in Appendix F, attached hereto and made a part hereof.

In addition, the SPONSOR agrees to accomplish the project in compliance with the FAA "Terms and Conditions of Accepting Airport Improvement Program Grants" signed on September 26, 2006.

THE DEPARTMENT WILL:

8. Bill the SPONSOR for the SPONSOR's share of the estimated PROJECT COST. The DEPARTMENT will bill the SPONSOR for the SPONSOR's share of additional estimated PROJECT COSTS for changes approved in accordance with Section 14 at the time of award of the amendment for approved work.
9. Upon receipt of payment request approved by the SPONSOR, make payment for eligible PROJECT COSTS. The DEPARTMENT will seek reimbursement from the FAA through the block grant issued to the DEPARTMENT for funds expended on eligible PROJECT COSTS.

The DEPARTMENT will not make payments for any PROJECT work prior to receipt of payment from the SPONSOR for the SPONSOR's share of that item of PROJECT work.

10. Make final accounting to the SPONSOR upon completion of the PROJECT, payment of all PROJECT COSTS, and completion of necessary audits. Any excesses or deficiencies will be returned or billed to the SPONSOR.

IT IS FURTHER AGREED:

11. The PROJECT COST participation is estimated to be as shown below and as in the attached Exhibit 1. Exhibit 1 is to be considered an estimate. The actual DEPARTMENT, FAA, and SPONSOR shares of the PROJECT COST will be determined at the time of financial closure of the FAA grant.

Federal Share	\$142,500.00
Maximum DEPARTMENT Share	\$3,750.00
SPONSOR Share.....	<u>\$3,750.00</u>
<i>Estimated</i> PROJECT COST.....	\$150,000.00

12. The PROJECT COST will be met in part with federal funds granted to the DEPARTMENT by the FAA through the block grant program and in part with DEPARTMENT funds. Upon final settlement of cost, the federal funds will be applied to the federally-funded parts of this Contract at a rate not to exceed ninety-five percent (95%) up to and not to exceed the maximum federal obligations shown in Section 11 or as revised in a budget letter, as set forth in Section 14. Those parts beyond the federal funding maximum may be eligible for state funds at a rate not to exceed ninety percent (90%) up to and not to exceed the maximum DEPARTMENT obligation shown in Section 11.

For portions of the PROJECT where only DEPARTMENT and SPONSOR funds will be applied to the final settlement, DEPARTMENT funds will be at a rate not to exceed ninety percent (90%), and the total DEPARTMENT funds applied toward the PROJECT COST may be up to but will not exceed the maximum DEPARTMENT obligations shown in Section 11 or as revised in a budget letter, as set forth in Section 14. Any items of PROJECT COST not funded by FAA or DEPARTMENT funds will be the sole responsibility of the SPONSOR.

DEPARTMENT funds in this Contract made available through legislative appropriation are based on projected revenue estimates. The DEPARTMENT may reduce the amount of this Contract if the revenue actually received is insufficient to support the appropriation under which this Contract is made.

13. The SPONSOR agrees that the costs reported to the DEPARTMENT for this Contract will represent only those items that are properly chargeable in accordance with this Contract. The SPONSOR also certifies that it has read the Contract terms and has made itself aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.
14. The PROJECT COST shown in Section 11 is the maximum obligation of DEPARTMENT and federal funds under this Contract. The maximum obligation of DEPARTMENT and federal funds may be adjusted to an amount less than the maximums shown in Section 11 through a budget letter issued by the DEPARTMENT. A budget letter will be used when updated cost estimates for the PROJECT reflect a change in the amount of funds needed to fund all PROJECT COSTS. The budget letter will be signed by the Administrator of Airports Division of the Multi-Modal Transportation Services Bureau (Aeronautics).

A budget letter will also be used to add or delete work items from the PROJECT description, provided that the costs do not exceed the maximum obligations of Section

EXHIBIT 1

**CLARE MUNICIPAL AIRPORT
CLARE, MICHIGAN**

Project No. B-26-0020-2110
Contract No. FM 18-02-C21

04/20/10

	Federal	State	Local	Total
ADMINISTRATION	\$950	\$25	\$25	\$1,000
DEPARTMENT-AERO	\$950	\$25	\$25	\$1,000
LAND	\$0	\$0	\$0	\$0
DESIGN	\$0	\$0	\$0	\$0
CONSTRUCTION	\$141,550	\$3,725	\$3,725	\$149,000
Construct 6-unit T-Hangar (phase II)	\$137,750	\$3,625	\$3,625	\$145,000
AERO - Construction	\$3,800	\$100	\$100	\$4,000
CONSULTANT - Construction	\$0	\$0	\$0	\$0
CONTINGENCY	\$0	\$0	\$0	\$0
Funding Contingencies	\$0	\$0	\$0	\$0
TOTAL PROJECT BUDGET	\$142,500	\$3,750	\$3,750	\$150,000

MAC Transfer: 3/25/10

RESOLUTION 2010-041

A RESOLUTION OF THE CLARE CITY COMMISSION APPROVING A CONTRANT FOR A FEDERAL/STATE/LOCAL AIRPORT PROECT UNDER THE BLOCK GRANT PROGRAM.

WHEREAS, the City of Clare has been offered a Michigan Department of Transportation (MDOT) contract for a federal/state/local airport project grant contract for reimbursement of the City's initial shared costs to construct an airport hangar project at the Clare Municipal Airport; and

WHEREAS, the City Commission has reviewed the terms and conditions of said grant contract offer and determined its acceptance is in the best interests of the City.

NOW THEREFORE BE IT RESOLVED THAT, the Clare City Commission hereby approves MDOT Airport Improvement Grant Contract No. 2010-0274 and agrees to abide by all terms and conditions stipulated therein, said Project Number being B-26-0020-2110.

BE IT FURTHER RESOLVED THAT the City authorizes its City Manager to execute any and all documents related to said project.

ALL RESOLUTIONS AND PARTS OF RESOLUTIONS INSOFAR AS THEY CONFLICT WITH THE PROVISIONS OF THIS RESOLUTION BE AND THE SAME ARE HEREBY RESCINDED.

The Resolution was introduced by Commissioner _____ and supported by Commissioner _____. The Resolution declared adopted by the following roll call vote:

YEAS:

NAYS:

ABSENT:

Resolution approved for adoption on this 17th day of May 2010.

Diane Schmidt, City Clerk