

AIRPORT BOARD SPECIAL MEETING
AGENDA
8:00 A.M., THURSDAY, APRIL 23, 2020

TELEPHONIC: 907-713-2140 PID: 921757

To Participate: Call 586-0962 and provide name/phone number

I. CALL TO ORDER

II. ROLL CALL

III. NEW BUSINESS

A. **CARES Act Grant (Attachment #1).** Juneau International Airport (JNU) is eligible to receive \$21,736,343 in Federal Aviation Administration (FAA) CARES Act funding. This is special funding from the U.S. Treasury General Fund, not the usual Airport grant funds from the *Airport and Airway Trust Fund* (part of the *Airport and Airway Improvement Act of 1982* and *FAA Modernization and Reform Act of 2012*), see FAQs: https://www.faa.gov/airports/cares_act/media/cares-act-airport-grants-faqs.pdf .

The \$10b in FAA CARES Act funding, generally, is to assist airports with the economic impacts due to COVID19. The FAQs also touch on the complex calculation for each airport's share. This is specific funding for airports within the \$2t CARES Act bill.

JNU has submitted an initial application with the FAA, however, the application must be updated to let the FAA know how the funds will be used. The options outlined below list the possible uses of FAA CARES Act funds. JNU must notify the FAA which option it intends to take as soon as possible; or if no funds will be requested. CARES Act Airports Grant program information is located at: https://www.faa.gov/airports/cares_act/.

Option 1. *The quickest option is to use all of your CARES Act funds for operational expenses, such as payroll, utility bills, or payment of debt service. If this is how you would like to use your airport's CARES Act funds, just sign the attached form and email it to the FAA. The FAA will expedite processing your CARES Act grant; or*

Option 2. *Use CARES Act funding on development or land acquisition projects. Coordinate with the FAA RO/ADO contact to pursue funding for development projects. There are more prerequisites and requirements for construction projects, so this grant will not be issued as quickly; or*

Option 3. *Use some of your CARES Act funding on operational expenses and some on airport development. If you choose this option, you can submit an adjusted OMB SF-424 for the non-construction portion of the CARES Act funds. Coordinate with the FAA RO/ADO contact to pursue funding for the development project.*

There are some basic requirement for this grant, including using the funds within four years, requirements for keeping staffing levels to 90% and lawful use of revenues as

outlined under the *Policy and Procedures Concerning the Use of Airport Revenue* <https://www.govinfo.gov/content/pkg/FR-1999-02-16/pdf/99-3529.pdf> .

Funds are meant to cover some of the airport's expenses and supplement current revenue losses due to COVID; as well as defer imminent increases in rates/fees until the local economy can support the increases (hence up to four years for use of funds). Use of these funds will also protect our Airport Fund Balance and three-month reserves from depletion. The grant is also meant to cover expenses from COVID; i.e., supplies, additional cleaning or staffing. The grant may also be used for an approved capital development (Options 2 and 3). Unexpended grant funds will need to be returned to the FAA at the end of four years. FAA CARES Act funds may not be used to pay for past projects/reimbursements.

Staff supports **Option 3** (a mixed use of operational revenues and capital development) as the best option for JNU. One project that meets criteria for the capital development is the remaining Snow Removal Equipment Facility (SREF) which is **not** eligible for FAA Airport Improvement Program (AIP) funding. In order for a project to be considered for FAA CARES funding, some part of the planning process must be underway; NEPA (environmental) and some magnitude of cost. The remaining phase of the SREF (offices, maintenance bays) meets the criteria. Normally this portion of the SREF would never see federal funds (and would be a waste of federal funding for anything AIP eligible). While we have other projects in our CIP that are not AIP eligible, they are not far enough along in the planning process to be reviewed for eligibility of FAA CARES funding. The use of FAA CARES Act funds for the SREF project would help maximize the use of \$21.7M. The FAA has preliminary concurred that the SREF project is eligible for this grant.

Staff has reviewed the cost estimates for final design, bidding and construction of the remaining SREF with the current SREF design consultant. The remaining SREF phase, just under 20,000 square feet (includes maintenance bays, offices/crew quarters/kitchenette, lighting and signage, welding, lube bays, electrical vaults, etc.), at a total cost of \$11,935,000. Rather than a full build-out, other options include a smaller (roughly half) build-out at a cost of \$7.8M; or build the full estimated 20,000 sf building shell and as many components for a cost of \$6-7M. **See discussions and SREF options on Attachment #1.**

Staff will need to submit the application for the capital improvement on one grant, and the residual operational funds on the other grant as quickly as possible. The capital project will also need to be identified prior to submission for FAA consensus on eligibility. Staff would like the Airport Board to discuss the capital options at the meeting and give direction for the FAA CARES Act grant funding. The Board motion is left blank depending on the option for the SREF project.

Board Motion: *"Approve the application(s) of the FAA CARES Act funding for the Snow Removal Equipment Facility capital project in the amount of \$ _____, and funding for airport operational expenses in the amount of \$ _____; for a total of \$21 736,343 in FAA CARES Act funding."*

IV. ADJOURN