



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** 13

**Agenda Date:** June 15, 2023

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation Department

**DEPARTMENT HEAD:** Jesus H. Saenz Jr.

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Terminal A Ground Loading Facility Project at the San Antonio International Airport

**SUMMARY:**

An ordinance approving the acceptance and appropriation of grant funds, if awarded, from the Federal Aviation Administration (FAA) Airport Terminal Program (ATP) under the Bipartisan Infrastructure Law (BIL) for the Terminal A Ground Loading Facility project, up to \$24,400,000.00, in addition to the \$20,000,000.00 that was awarded and approved by City Council in May 2023, for a total potential grant award of \$44,400,000.00 for the Terminal A Ground Loading Facility. Any additional funding from the FAA awarded to the project will reduce the City's funding towards its design-build contract valued at \$61,700,000.

**BACKGROUND INFORMATION:**

On November 15, 2021, the President signed the Infrastructure Investment and Jobs Act (IIJA), commonly referred to as the Bipartisan Infrastructure Law (BIL), which included FAA Airport Infrastructure Grants (AIG) Program and Airport Terminal Program (ATP). Over a five year period beginning in 2022, the AIG program will distribute formula funding based on the statutory Airport Improvement Program primary and cargo entitlement formulas, while airports will compete for ATP funding for terminal, safety and other eligible projects.

### Terminal A Ground Loading Facility Project

The San Antonio International Airport requires additional gate capacity and airline parking capacity to support domestic and international air service while the new terminal completes its design and construction, anticipated at the end of the March 2028. On May 5, 2022, City Council approved the amendment of the FY 2022 Capital Budget to create the Terminal A Ground Loading Facility project and initiate design work on the project. City Council was briefed on this pre-solicitation for the Terminal A Ground Load Facility and Relocation of Vehicle Gate 20 project during the May 18, 2022 B Session, and briefed on this post-solicitation during the May 11, 2023 B Session.

City Council approved the Design-Build services contract with Hensel Phelps Construction Co. and accepted and appropriated the grant award in the amount of \$20,000,000.00.

The FAA has indicated that there may be additional Airport Terminal Program (ATP) grant funding from the BIL program available for the Terminal A Ground Loading Facility project, in addition to the \$20,000,000.00 that was awarded and approved by City Council in May 2023. This action will also accept and appropriate additional grant funding from the FAA's ATP, if awarded, up to \$24,400,000.00 for a total potential grant award of \$44,400,000.00 for the Terminal A Ground Loading Facility

### **ISSUE:**

This ordinance will authorize the acceptance and appropriation of additional grant funds from the FAA ATP under the Bipartisan Infrastructure Law for the Terminal A Ground Loading Facility project, which was awarded \$20,000,000.00 under the program in May 2023. In early June, the FAA indicated that there may be additional grant funds available for this project. This action will accept and appropriate additional grant funding, if awarded, from the FAA's ATP up to \$24,400,000.00 for a total potential grant award of \$44,400,000.00 for the Terminal A Ground Loading Facility. Any additional funding from the FAA awarded to the project will reduce the City's funding towards its design-build contract valued at \$61,700,000.

This action is consistent with the City Council's policy of improving facilities, improving land uses, and enhancing safety at San Antonio International Airport and maximizing utilization of federal funds.

### **ALTERNATIVES:**

City Council could choose to not approve this item. However, this action will allow the City to accept additional grant funding for the Terminal A Ground Loading Facility project and reduce the City's funding for the project. The potential additional ATP funding will allow the City to use more federal funding rather than anticipated to support improves infrastructure at the San Antonio

International Airport. Additionally, the failure to accept could potentially affect the City's ability to receive future FAA grant funding for additional safety and infrastructure projects.

**FISCAL IMPACT:**

This ordinance approves the acceptance and appropriation of grant funds, if awarded, from the Federal Aviation Administration (FAA) Airport Terminal Program (ATP) under the Bipartisan Infrastructure Law (BIL) for the Terminal A Ground Loading Facility project, up to \$24,400,000.00, in addition to the \$20,000,000.00 that was awarded and approved by City Council in May 2023, for a total potential grant award of \$44,400,000.00 for the Terminal A Ground Loading Facility.

This action will amend the budget for the Terminal A Ground Loading Facility project to reflect the additional federal funding, if offered, update its project budgets and appropriate funds.

**RECOMMENDATION:**

Staff recommends the acceptance of additional grant funds, if offered, for the Terminal A Ground Loading Facility project at the San Antonio International Airport.