



City of Muscatine



AGENDA ITEM SUMMARY

City Council

DATE:

October 1, 2020

STAFF

Jodi Royal-Goodwin, Community Development Director

SUBJECT

Resolution Accepting Completed Work - Airport Hangar and Apron Construction Project

EXECUTIVE SUMMARY

At the August 15, 2019 meeting Muscatine City Council approved a \$641,854.22 contract with SG Construction for the development of 3 hangars and associated apron. Construction of all components is now substantially complete and staff is requesting Council adopt the attached *Resolution Accepting Completed Work* and authorize payment of \$31,634.33, which, as required by Iowa Code, will be held for 30-days.

STAFF RECOMMENDATION

Staff recommends Council adopt the attached Resolution Accepting Completed Work and authorize the release of retainage 30 days after approval.

BACKGROUND/DISCUSSION

The City of Muscatine and the Airport Advisory Commission have been working for several years to develop additional hangar space at the Muscatine Municipal Airport. The Airport currently has 20 T-hangars that were built approximately 50 years ago, and there have been no vacancies in the past decade. As soon as a hangar becomes available, a tenant is identified and lease executed. There is currently a wait list of 7 and 7 current lessee pilots requesting a hangar upgrade.

In November 2016 City Council approved a professional services agreement with Bolton & Menk for engineering and construction services at the Airport from November 2016 through November 2021. A work order was also issued in November 2016 under this contract for the design and construction of 4 T-hangars and associated taxiway and apron improvements. The expansion of the hangars was adopted as part of the 5-Year Capital Improvement Program. Under this contract an application for vertical infrastructure (hangars) was submitted to IDOT, an option that had been unavailable for a number of years.

In November 2017 Council accepted two grants from IDOT. These grants included funds for:

- The construction of 4 T-hangars with up to 44% of the eligible project costs, not to exceed \$150,000, covered; and
- An apron expansion for up to 85% of eligible project costs not to exceed \$203,567.

In July 2018 Work Orders 2 and 3 were approved for design and construction services for 4 corporate (box) hangars and associated apron and taxiway extensions. Additional funding for this project was anticipated to be available from private entities who would execute long-term land leases of the facilities. Unfortunately, Federal Aviation Administration regulations prevented such long-term leases and the commercial hangars were determined infeasible.

At the February 2019 meeting of the Airport Advisory Commission there was significant interest in pursuing box hangars rather than additional T-hangars utilizing the available grant funding. Staff requested Bolton & Menk provide a cost estimate for the construction of 5 box hangars. The total estimated construction costs for this project was \$512,600, compared to \$499,900 for the original 4 T-hangar design. At that time grant amendments extending grant period until fall 2019 to execute appropriate construction contracts were received. Bolton & Menk confirmed with IDOT the proposed project would be approved.

As discussed at the April 4, 2019, meeting of the City Council, there was \$177,583 available for the project and City council concurred with the staff proposal to use \$400,000 in proceeds from the 2020 bond issue to fully fund the balance of the project costs. State grant funds and proceeds from the City's May 2018 bond issue will fund the estimated costs for the Apron Expansion component of the project.

At the April 18, 2019, meeting City Council approved Addendum Number 1 to the Professional Services Contract with Bolton & Menk for the Design and Construction of Hangars for Hangar Row 4 and use of bond proceeds for the local share of design and construction costs.

Following a request for bids, a contract was awarded to SG Construction for the base bid and Alternate B (3 hangars with gas service stubbed and associated apron) in the amount of \$641,854.22. In addition to the grant funding, \$27,583 from the 2018 bond issuance and approximately \$325,000 from the 2020 bond issuance were allocated to the project.

During construction there were 4 changes to the project, including resizing of the bi-fold doors for the 2 smaller hangars, additional required exterior lighting and fire extinguishers, and removal of seeding and erosion control measures. The changes resulted in a net deduction of \$9,167.98 and a final project cost of \$632,686.24.

CITY FINANCIAL IMPACT

This contract was funded through grants from the Iowa Department of Transportation and bond proceeds. Closeout of this project will allow the hangars to be leased. There are no additional financial impacts to the City for this action.

ATTACHMENTS

Resolution Accepting Completed Work

RESOLUTION NO. 2020-0331

**RESOLUTION ACCEPTING COMPLETED WORK PERFORMED FOR THE MUSCATINE
MUNICIPAL AIRPORT HANGAR AND APRON CONSTRUCTION PROJECT AND
AUTHORIZING FINAL PAYMENT**

WHEREAS, the City of Muscatine approved a contract for said project with SG Construction for \$641,854.22; and

WHEREAS, two contract change orders resulted in a net-deduct of nine thousand one hundred sixty-seven dollars and ninety-eight cents (\$9,167.98) and a final contract price of \$632,686.24; and

WHEREAS, all work under this contract has been completed by the contractor and approved and accepted by the City, as having met the requirements of the plans and specifications heretofore adopted; and

WHEREAS, the amount of \$601,051.91 has been previously paid to SG Construction; and

WHEREAS, a retainage of \$31,634.33 remains due and payable;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF MUSCATINE, IOWA, that the City of Muscatine hereby accepts work performed and authorizes payment of \$31,634.33, which represents the required retainage, thirty (30) days from the date of the adoption of this Resolution, pursuant to Iowa Code Chapter 573.

PASSED AND APPROVED this 1st day of October 2020.

CITY COUNCIL OF THE CITY OF MUSCATINE, IOWA

Diana L. Broderson, Mayor

Attest:

Carol Webb, City Administrator