



City of Muscatine



AGENDA ITEM SUMMARY

DATE: 3-4-2021

STAFF

Jodi Royal-Goodwin, Community Development Director

SUBJECT

Request to issue a purchase for gas service to the new hangars

EXECUTIVE SUMMARY

Presented for City Council's consideration is a request to approve the issuance of a purchase order in the amount of \$12,000 to Alliant Energy for the installation of gas service to the newly constructed hangars at the Muscatine Municipal Airport.

STAFF RECOMMENDATION

Staff recommends approval of this action authorizing the purchase.

BACKGROUND/DISCUSSION

At the April 4, 2019 meeting City Council concurred with the staff proposal to use up to \$400,000 in proceeds from the 2020 bond issue to supplement state grant funds available for the construction of box hangars and phase 2 of the apron expansion at the Muscatine Municipal Airport. State grant funds and proceeds from the City's May 2018 bond issue had previously been allocated for phase 1 of the apron expansion. The 2020 bond issue included a total of \$346,000 for the hangar and apron expansion projects.

During 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 Hangar Row 4 and use of bond proceeds for the local share of design and construction costs. The construction contract was awarded to SG Construction for the base bid and Alternate B (3 hangars with gas service stubbed and associated apron) during the August 15, 2019 meeting of City Council. At the October 1, 2020 meeting of City Council the project was determined to be substantially complete.

Following a staff review of rental rates for hangars at non-commercial airports in eastern Iowa the lease rates were set at \$500 and \$250 for the large and small hangars respectively. Tenants were identified, with two anticipating to install heating equipment, which would remain in the hangar if the tenant moved out, at their personal expense. For this reason longer lease terms were requested to protect that investment. Leases with an initial 5 year term and the option to renew for up to 3 additional terms were approved by Council December 17, 2020.

Unfortunately, staff subsequently learned that the main gas line did not run along the north side of Highway 61 adjacent to the airport as anticipated. To facilitate the installation and use of the heating equipment in hangars 21 and 23 the City must run gas service a significant distance at a cost of \$12,000. There are remaining project construction funds for this activity.

CITY FINANCIAL IMPACT

Funds allocated to the construction of the apron and hangars are available to cover the cost of installing the gas line.

ATTACHMENTS

None