



City of Pensacola

222 West Main Street
Pensacola, FL 32502

Memorandum

File #: 18-30

City Council

9/13/2018

LEGISLATIVE ACTION ITEM

SPONSOR: Ashton J. Hayward, III, Mayor

SUBJECT:

RESOLUTION 18-30 - STATE OF FLORIDA DEPARTMENT OF TRANSPORTATION PUBLIC TRANSPORTATION GRANT AGREEMENT

RECOMMENDATION:

That City Council approve Resolution No. 18-30.

A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR OF THE CITY OF PENSACOLA TO EXECUTE PUBLIC TRANSPORTATION GRANT AGREEMENT FINANCIAL PROJECT 441494-2-94-01 WITH THE FLORIDA DEPARTMENT OF TRANSPORTATION FOR FACILITIES DEVELOPMENT AT THE PENSACOLA INTERNATIONAL AIRPORT AIR COMMERCE PARK; PROVIDING AN EFFECTIVE DATE.

HEARING REQUIRED: No Hearing Required

SUMMARY:

On December 17, 2013 Mayor Hayward executed a nonbinding Memorandum of Understanding with ST Aerospace which allowed the City of Pensacola to begin contract negotiations with VT Mobile Aerospace Engineering, Inc. (VT MAE) for the construction and operation of a maintenance, repair, and overhaul (MRO) facility at the Pensacola International Airport. City Council approved the negotiated lease agreement on September 9, 2014. The 173,000 sq. ft. facility officially opened in June 2018 and is on the way to creating 400 new high-wage jobs for the area. On July 18, 2018 the Triumph Gulf Coast Board of Directors unanimously approved a \$56 million grant to the City of Pensacola to allow for development of an expanded MRO Campus.

The Mayor and Staff have a longer term strategy to grow the MRO capacity. Expanding taxiways and aprons to additional development sites will allow for the expansion of MRO capabilities to further diversify the economic development opportunities in the region, create additional high quality jobs, and support the burgeoning aviation industry in the State of Florida.

As part of this strategy and in anticipation of the associated growth, the Mayor and Staff have begun to identify possible funding sources to partially pay for the possible construction of additional facilities. The Mayor and Staff worked with the local legislative delegation to obtain a State appropriation during the 2018 Legislative Session. These funds will be committed in the form of a State of Florida Department of Transportation Public

Transportation Grant Agreement in the amount of \$3,000,000 that could be used to assist with the construction associated with an additional facility.

The acceptance and execution of the grant does not obligate the City of Pensacola to undertake the project. Rather, the acceptance and execution of the grant provides a source of funds for a future project.

PRIOR ACTION:

June 13, 2013 - City Council adopted a resolution to support the acceptance of a grant offered by the Florida Department of Transportation as a Joint Participation Agreement # 43360229401 in the amount of \$11,090,000 for air commerce park phases I and IA - Infrastructure Development.

February 13, 2014 - City Council Discussion Item and Presentation on the ST Aerospace Economic Development Project at the Pensacola International Airport.

February 27, 2014 - City Council approved the Interlocal Agreement with Escambia County and the City of Pensacola for Funding of Economic Development Project - ST Aerospace of Mobile, Inc.

September 9, 2014 - City Council approved the lease with VT Mobile Aerospace Engineering.

July 16, 2015 - City Council approved the selection of Greenhut Construction and authorized the Mayor to execute the contract.

September 17, 2015 - City Council authorized the Mayor to execute acceptance of the Florida Department of Transportation Joint Participation Agreement # 43571729401 in the amount of \$1,531,546 for construction funding to expand the cargo apron and construct a taxiway connector at the Pensacola International Airport of which \$1,121,242 will be used towards taxiway connecting future VT MAE facility to runway 17-35.

March 17, 2016 - City Council authorized the Mayor to execute acceptance of the Florida Department of Transportation Joint Participation Agreements # 42030029401, # 42960929401, and # 42960939401 in the amount of \$2,975,305 for construction of a taxiway connector at the Pensacola International Airport.

April 14, 2016 - City Council authorized the Mayor to execute acceptance of the Florida Department of Transportation Joint Participation Agreement # 43571769401 in the amount of \$8,599,600 for construction of a hangar at the Pensacola International Airport.

September 22, 2016 - City Council authorized the Mayor to execute Amendment No. 1 to the contract with Atkins North America.

February 8, 2018 - City Council authorized the Mayor to execute Amendment No. 2 and Amendment No. 3 to the contract with Atkins North America.

March 8, 2018 - City Council authorized the Mayor to execute acceptance of the State of Florida Department of Economic Opportunity Grant Agreement G0009 in the amount of \$4,000,000 for construction of infrastructure related to MRO expansion.

FUNDING:

Budget:	\$ 4,000,000	Florida Department of Economic Opportunity Grant (G0009)
	56,000,000	Triumph Gulf Coast
	<u>3,000,000</u>	Florida Department of Transportation Grant (441494-2-94-01)
	<u>\$63,000,000</u>	Total Known Funding Sources

Actual: Unknown

FINANCIAL IMPACT:

The City of Pensacola has received approval for \$63,000 million from a combination of Florida grants and the Triumph Gulf Coast funds. The pursuit for additional funding will continue in order to obtain the funds needed for the MRO expansion project.

CITY ATTORNEY REVIEW: Yes

7/26/2018

STAFF CONTACT:

Keith Wilkins, City Administrator
Daniel E. Flynn, Airport Director

ATTACHMENTS:

- 1) Resolution No. 18-30

PRESENTATION: No