

January 14, 2019

Honorable Mayor and City Council Members
Galveston, Texas

Dear Honorable Mayor and Members of Council,

Subject: Consider for approval a Resolution of the City Council of the City of Galveston, Texas, authorizing the City Manager to approve and execute the Agreement for Funding 10% of the Scholes International Airport 2018 Capital Improvement Pavement Projects (the “Project”) between the City, the Tax Increment Reinvestment Zone 14 (TIRZ 14) and the Galveston Island Redevelopment Authority (RDA) in the amount of \$118,000.00.

I. Background:

- A. On March 22, 2018, City Council approved Resolution 18-015 approving a funding agreement between the City, TIRZ 14 and the RDA in the amount of \$400,000.00 for the 10% match for the Scholes International Airport 2018 Capital Improvement Pavement Projects, with an estimated total cost of \$4,000,000.00. This payment was submitted to Department of Transportation, Aviation Division (TxDOT Aviation) prior to their deadline of May 2018.
- B. On August 29, 2018, TxDOT Aviation requested the City submit an additional \$118,000.00 to cover the City’s share of the construction project costs no later than October 8, 2018.
- C. On September 13, 2018, City Council approved the Participation Agreement with TxDOT Aviation for construction and rehabilitation of Runway 14/32, Taxiways A, B, C, D, and E, and North Apron Phase 3 & 4 (TxDOT Project No. 1812GLVSN), and authorizing an expenditure in the amount of \$118,000.00 to TxDOT as part of the 10% match needed due to the increased cost of the project from \$4,000,000.00 to \$5,180,000.00.

II. Current Situation:

- A. The Airport requested the additional 10% funding from the TIRZ 14 Board, which approved the request, in the amount of \$118,000.00, at their October 4, 2018 meeting.
- B. Galveston Island Redevelopment Authority (RDA) approved this funding request at their December 14, 2018 meeting.

III. Issues:

Due to time constraints in meeting TxDOT Aviation’s deadline to receive funding, the Airport used Airport Improvement Funds to cover the additional cost of this project, with the intend of requesting funding from TIRZ 14 to reimburse the Airport for the additional expense.



IV. Alternatives:

A. City Council approves the Funding Agreement for Funding between the TIRZ 14 Board, the RDA Board and the City to fund the additional 10% match of the Project in the amount of \$118,000.00.

B. City Council does not approve the Funding Agreement.

V. Recommendation:

Staff recommends approval a Resolution of the City Council of the City of Galveston, Texas, authorizing the City Manager to approve and execute the Agreement for Funding 10% of the Scholes International Airport 2018 Capital Improvement Pavement Projects (the "Project") between the City, the Tax Increment Reinvestment Zone 14 (TIRZ 14) and the Galveston Island Redevelopment Authority (RDA) in the amount of \$118,000.00.

VI. Fiscal Impact Report:

Requested by: Mike Shahan, Airport Director

Funding Source: TIRZ 14

Costs of Implementation: N/A

Estimated cumulative Revenue: N/A

Additional Information: See attached Resolution and Funding Agreement

Respectfully submitted:

Approved by:



Mike Shahan
Airport Director

Brian Maxwell
City Manager

Encl.

