



## Legislation Text

---

**File #:** 20-288, **Version:** 1

---

*Report Prepared by: Martin Pehl, Airport Manager, Merced Regional Airport*

**SUBJECT:** Acceptance of the CARES Act Grant Offer, Grant Number 3-06-0152-026-2020, Issued by the Federal Aviation Administration for the Merced Regional Airport, in the Amount of \$3,364,156

### REPORT IN BRIEF

Considers accepting a \$3,364,156 CARES Act Grant awarded by the Federal Aviation Administration for use at the Merced Regional Airport.

### RECOMMENDATION

**City Council** - Adopt a motion:

- A. Approving a grant agreement between Federal Aviation Administration (FAA) and the City of Merced; and,
- B. Approving acceptance of grant funds and increasing Airport Fund revenue account 561-1303-321.37-00 in the amount of \$3,364,156; and,
- C. Authorizing the use of pooled cash for expenditures until City receives reimbursement funds; and,
- D. Authorizing the Finance Officer to make the necessary budget adjustments; and,
- E. Authorizing the City Manager or the Assistant City Manager to execute all necessary grant documents.

### ALTERNATIVES

- 1. Approve as recommended by staff; or,
- 2. Approve, subject to modifications as conditioned by Council; or,
- 3. Deny the request completely; or
- 4. Refer back to staff for reconsideration of specific items as requested by Council; or,
- 5. Continue item to a future Council meeting (date to be specified in City Council motion).

### AUTHORITY

Charter of the City of Merced, Section 200.

### CITY COUNCIL PRIORITIES

City of Merced adopted Budget Fiscal Year 2019-20.

## **DISCUSSION**

The Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law 116-136, in part, includes grant funding for public use airports in order to offset decline in airport revenues as a result of the COVID-19 public health emergency. The FAA has determined that the Merced Regional Airport is eligible for a grant offer not to exceed \$3,364,156. The funding must be used for airport related operations and maintenance expenses occurring after January 20, 2020 and ending four years from execution of this grant agreement.

The primary use of the grant is earmarked for airport operations including staff. Revenues generated by the Merced Regional Airport will support forthcoming projects such as improvements to the terminal and runway.

## **IMPACT ON CITY RESOURCES**

Funding for this grant requires no local match and will result in up to \$3,364,156 of additional airport revenue over a four-year period.

Currently the Airport is unable to sustain itself and is dependent on a General Fund supplement annually. The acceptance of this grant will allow for the reduction of the General Fund supplement over the next four years. Since the General Fund will also have significant reductions in revenue due to COVID-19, this grant will help maintain funds within the General Fund to continue to provide core services.

## **ATTACHMENTS**

1. CARES Act Airport Grants Agreement #3-06-0152-026-2020