



CITY OF CONCORD
New Hampshire's Main Street™
Community Development Department

REPORT TO MAYOR AND CITY COUNCIL

From: Timothy J. Thompson, AICP, Assistant Director of Community Development

Date: August 1, 2024

Subject: **Airport Terminal Grants: FY2024 BIL-ATP, FY2025 BIL-ATP & BIL-AIG, BIL-AIG Planning Grant**

Recommendation:

1. Accept this report; and
2. Approve the attached consent resolution authorizing submittal of a grant application to the FAA for the purpose of obtaining Fiscal Year 2024 funding in the amount of \$5,058,000 through the Bipartisan Infrastructure Law – Airport Terminal and Airport Infrastructure Grant Programs Program (BIL-ATP, BIL-AIG) relative to 2024 Notice of Award associated with the airport terminal project at the Concord Municipal Airport; and
3. Approve the attached consent resolution authorizing the Request for Project Intent to the FAA for the purpose of obtaining Fiscal Year 2025 funding up to the amount of \$7,810,000 through the BIL-ATP & BIL-AIG programs relative to final design, mitigation, and construction Phase II associated with the airport terminal project at the Concord Municipal Airport; and
4. Approve the attached consent resolution in the amount not to exceed \$605,000 authorizing submittal of a planning grant application to the State of NH/FAA for the purpose of obtaining BIL-AIG funding relative to development of an environmental impact assessment (EA) associated with the airport terminal project at the Concord Municipal Airport.

Background:

The City has been working on programming funds and exploring grant opportunities for a number of years to provide a significant source of funding to replace the deteriorated 1937 / 1965 terminal building at Concord Municipal Airport (a long-time project in the Master Plan). Note, prior to the recently approved Bipartisan Infrastructure Law funding initiative, FAA did not provide funding to replace terminal buildings at general aviation airports.

In October of 2023, the City submitted a project intent application to construct a new Terminal Building and demolish the existing terminal building, through the 2021 Federal Aviation Administration (FAA) Bipartisan Infrastructure Law - Airport Terminal Program (BIL-ATP). On

February 15, 2024 the City received a Notice of Award of funding for the project. As such, the adopted FY2025 Budget (adopted in June 2024) accepted and appropriated \$5,057,745 to construct the new terminal building, parking lot, and associated improvements in anticipation of this grant award. Of this total, \$3,508,925 were Federal Funds. No funding has been expended on construction.

A new terminal at the Airport has been a City goal since at least the 2006 Airport Master Plan. The potential \$2.51 million in federal grant is a key financial component of making the long-desired project a reality in the coming years.

On March 11, 2024, the City Council approved Resolution #9622 which appropriated City, State, and Federal funds to proceed with design, permitting and bidding of the new terminal building and associated parking in anticipation of the aforementioned grant funding for construction of these improvements.

Following the approval of Resolution #9622, staff and project consultants then began the process of designing the project, including presentation to the Planning Board in May 2024, and have currently completed the preliminary design phase.

Presently, design of the new terminal and associated improvements are approximately 60% complete.

The Terminal is an important project not only to the City, but to the State of New Hampshire as well. General aviation hangar space is in demand state wide, and the Terminal project not only modernizes and addresses countless deficiencies of the existing facility, but it will allow for the construction of additional hangar space along the Airport Road side of the Airport.

Space for aviation development is very limited at Concord Municipal Airport, with the vast majority of land area being made up of conservation zones mandated by the agreements stemming from Federal environmental reviews of various projects at the Airport (including the NH Army Air National Guard facility, among others) which restricted development on approximately 67% of the 800 acres of airport land to protect the Karner Blue Butterfly habitat. Consequently, only about 12 acres of real estate remains available at the Airport for aviation related development. Due to this circumstance, upon completion of the new terminal building, the Airport Master Plan calls for the demolition of the existing 1937 / 1965 terminal in order to create much needed space for additional hangar development.

The City is well positioned to see additional development at the airport following the construction of the United Therapeutics hangar and additional hangar development that is poised to move forward in the near future. The new Terminal and creation of additional development opportunity along Airport Road is an important component of the City's economic development strategy and creation of both new lease and property tax revenue. The new Terminal Building will also provide an opportunity to the regional community to engage in the natural resources, educational opportunities and aviation expansion at the NH's capital city airport.

Discussion:

As design of the new terminal and related improvements progressed in early to mid-2024, the City was informed by FAA that the project would require an environmental impact analysis (EA), as a master EA completed for all capital improvement projects at the Airport in 2011 found the Concord Airport Airfield may be eligible for inclusion as a historic district under the National Register of Historic Places. While the Airport is not actually listed on the National Register, nor is it a locally designated Historic District, the National Environmental Policy Act (NEPA) requires EA's for any

location that is eligible for listing. The FAA's determination that additional EA work is required was unexpected as the City was under the impression that the previously completed "master" 2011 EA for the Airport was sufficient for this project.

Additionally, during the preliminary design phase of the project, the City was notified by the FAA that their communications and navigational equipment currently connected to, or located within, the existing terminal building could not be relocated for several years due to lack of available funds at the FAA. This further complicated the new terminal project; specifically, placement of the new building and timing for demolition of the existing 1937/1965 structure.

These two unexpected issues have caused a delay in the completion of the terminal design plans, and has required the City to proceed with the FAA process differently than had been expected when the grant application for construction funds was submitted in October 2023, and notice of award was received in February 2024.

Given the importance of the project to the City and the State of New Hampshire, the City is now working with the FAA, the New Hampshire Department of Transportation Bureau of Aeronautics, and our congressional delegation to obtain an extension of time to complete the work associated with the construction grant, and to proceed with the preparation of the EA in order to satisfy NEPA requirements.

The City is prepared to work with all the agencies and representatives to make sure that the funding for the project is kept available for the project, as the language of the BIL requires that funds be expended within 4 years, thus conflicting with the guidance from the FAA that the expenditure of construction grant funds be achieved within a far more aggressive timeline. As such, the City is pursuing both an extension of time for the FY24 grant and also will include additional fund requests in the FY25 grant application as necessary in the event the time extension is not granted.

Approval of the three attached resolutions will enable the City to continue to leverage federal funding to the best of our ability to move forward with the design and construction of the new terminal building with minimizing the impact to additional costs to the municipal portion of this long-awaited project.