



Yakima Air Terminal - McAllister Field
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To: Bob Harrison, City Manager
From: Robert Peterson, Airport Director
Cc: Honorable Mayor and Members of the Yakima City Council
Date: Monday, July 6, 2021
Re: American Rescue Plan Act

On Thursday, March 11, 2021, the President of the United States signed into law the American Rescue Plan Act. The Act provides approximately \$8 billion dollars to support U.S. airports experiencing severe economic disruption caused by the COVID-19 public health emergency. These funds are available to municipalities, which own airports who meet statutory and policy requirements, under section 47102 of title 49 United States Code; and identified in the Federal Aviation Administration's (FAA) current National Plan of Integrated Airports System (NPIAS).

The Act sets aside approximately \$6.5 billion for commercial service airports to assist in the costs related to operations, personnel, debt service, cleaning, sanitization, janitorial services combating the threat of pathogens at the airport. Additionally, the Yakima Air Terminal-McAllister Field meets these specific qualifications for funding where the airport is slated to receive 100% grant funding for all 2021 Airport Improvement Program grant funds, thereby eliminating the local 10% match.

The distribution of funds will be in the form of a grant and administered by the FAA's Airport District Office. These funds may be used for any purpose for which airport revenues may be lawfully used. Grant recipients should follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy document defines permitted and prohibited uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the Act makes clear that the funds may not be used for any purpose not related to the airport.

Priority #1: Airport Fiscal Sustainability and Restoration of Air Service

Continued fiscal sustainability should be the first priority as we emerge from the COVID-19 pandemic as various transportation sectors such as rental cars, airlines, vehicle parking, general and corporate aviation have witnessed unprecedented decrease in business activities. Since March 2020, the airport has witnessed a slow recovery of passengers, which transfers to additional revenues from various transportation sectors. Although many airports throughout the nation have witnessed a rebound in passenger traffic, airports will continue to witness lost revenue compared to 2019's budgets. The grant will assist with offset operating revenues through invoices submitted to the FAA to be reimbursed for normal operations and maintenance expenses. As the airline industry recovers from record reductions in airline routes, it will be imperative the airport focuses

on restoring and expanding air service. Continued close coordination with the airport's air service consultant, Alaska Airlines, and future airline destinations should be a top priority.

Priority #2: 2022 Airport Improvement Projects and Replacement of Aging Infrastructure

Upon stabilization of the airport's 2021-22 budget using the grant, Council should consider addressing upcoming 2022 capital improvements as well as the airport's aging infrastructure, which include the following:

- Environmental Category X approval from the Federal Aviation Administration for both the main terminal building and the Taxiway Charlie extension;
- Installation of infrastructure (water, sewer, power) to further develop 13 acres located along 21st Ave and Airport Lane in order to prime aeronautical development such as aircraft hangars;
- Replacement of the airport's passenger boarding stairs; and
- Replacement of the airport's 1996 high-speed runway plows; and
- Expansion of vehicle parking lot adjacent to the main terminal building; and
- Rehabilitation of existing vehicle parking lots; and
- Rehabilitation of airfield maintenance facility and airport administration office; and
- Replacement of aging HVAC systems, which have outlived their useful life.

Final Consideration Related to The ARPA Funds

Upon securing the airport's 2021-2022 operating and capital budgets, the ARPA grant can also be used for other capital projects or strategic priorities. These projects include, but are not limited to, asphalt maintenance or repairs, terminal building roof repairs, replacement of terminal apron ramp snowplow, expansion of airfield maintenance facility to house required maintenance and snow equipment, or installation of infrastructure for future development. Although these projects may qualify for ARPA grant funds, it's required to contact the FAA's Airport District Office to ensure compliance with federal obligations, meets safety and security standards, National Environmental Protection Act, prevailing wage, and buy American requirements.

For additional clarification or information, please feel free to contact me at your convenience.