


ST. PETERSBURG CITY COUNCIL
Consent Agenda
Meeting of September 5, 2019

TO: The Honorable Charlie Gerdes, Chair, and Members of City Council

FROM: Chris Ballestra, Director, Enterprise Facilities Department 

SUBJECT: A resolution approving a transfer in the amount of \$115,500 from the unappropriated balance of the Airport Capital Projects Fund (4033) to the Airport Operating Fund (4031); approving a supplemental appropriation in the amount of \$115,500 from the increase in the unappropriated balance of the Airport Operating Fund (4031), resulting from the above transfer, to the Enterprise Facilities Department, Airport Administration Division (282-1877); and providing an effective date.

EXPLANATION: In early 2018 construction was finally completed on the new Terminal Hangar (Project #13279) at the Albert Whitted Airport. Due to contractor and supplier related issues the project had become significantly delayed and was completed well behind schedule. This delay triggered liquidated damages against the contractor. The delay period was approximately fifteen (15) months and resulted in a total of \$161,106.79 in assessed damages. The calculation of liquidated damages for this project was based on the loss of aircraft storage rents and projected fuel flowage fees, as well as a monthly rent credit that was being issued to Sheltair Aviation for the partial loss of their use of the Terminal Ramp due to the construction site footprint.

With the project savings resulting from the liquidated damages, specific needs on the Airport are identified to be accomplished:

- 1.) SWPPP/SPCC Plans (\$30,000): It is required that public-use airports have a Stormwater Pollution Prevention Plan (SWPPP) and Spill Prevention Control and Countermeasure Plan (SPCC). The last SWPPP and SPCC plans completed for the airport are very old and need to be updated. A SWPPP is essentially a guidebook of best practices to make sure that the stormwater discharged off the airport is as clean and unpolluted as possible. A SPCC plan is required by the EPA for any facility that stores more than a minimum threshold of petroleum products.
- 2.) Airport Compliance Documents (\$40,000): The Airport's compliance documents, including the Airport Rules and Regulations and Minimum Standards documents, are very old and need to be updated. The Airport Rules and Regulations include the requirements regarding the general use and conduct on the airport property. The minimum standards include the minimum requirements by any individual and/or entity wanting to engage in specific identified aeronautical activities. The FAA dictates that public-use airports should have up-to-date and current compliance documents.
- 3.) Sheltair Aviation (\$45,500): The original calculation of the liquidated damages specific to the loss of aircraft storage rents and fuel flowage fees were based on losses to not only the City, but also to the Airport's Fixed Base Operator (FBO), Sheltair Aviation ("Sheltair"). Under their current operating agreement with the City, Sheltair manages the terminal hangar and retains thirty percent (30%) of aircraft storage rents. As the fuel

service provider on the Airport, Sheltair also generates revenues through the sale of aircraft fuel. Sheltair had tenants lined up to occupy the hangar as early as the start of the construction. Accordingly, Sheltair's ability to generate additional operating revenues was also negatively impacted by the project delay. As a partner with the City it is recommended that Sheltair be provided a one-time payment of \$45,500 for this time delay. The \$45,500 amount was based on the actual rental revenues collected from the aircraft stored within the hangar after it opened as well as a monthly average of the amount of fuel they purchased during this same period.

RECOMMENDATION: Administration recommends approving the resolution approving a transfer in the amount of \$115,500 from the unappropriated balance of the Airport Capital Projects Fund (4033) to the Airport Operating Fund (4031); approving a supplemental appropriation in the amount of \$115,500 from the increase in the unappropriated balance of the Airport Operating Fund (4031), resulting from the above transfer, to the Enterprise Facilities Department, Airport Administration Division (282-1877); and providing an effective date.

COST/FUNDING/ASSESSMENT INFORMATION: Project savings as a result of the liquidated damages (\$161,106.79) were returned to the fund balance of the Airport Capital Projects Fund (4033) when the Terminal Hangar Project (13279) was closed. Funding for the Airport SWPPP/SPCC Plans, Airport Compliance Documents, and a one-time payment to Sheltair Aviation to compensate for the loss of aircraft storage rents and fuel flowage fees due to the delay of the terminal project will be available after approval of a transfer in the amount of \$115,500 from the unappropriated fund balance of the Airport Capital Projects Fund (4033) to the Airport Operating Fund (4031) and a supplemental appropriation in the amount of \$115,500 from the increase in the unappropriated balance of the Airport Operating Fund (4031), resulting from the above transfer, to the Enterprise Facilities Department, Airport Administration Division (282-1877). The remaining balance of the liquidated damages (\$45,606.79) will remain in the unappropriated balance of the Airport Capital Projects Fund (4033) for future appropriation or transfer.

ATTACHEMENT: Resolution

APPROVALS:

Administration:

Budget:

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Resolution No. _____

A RESOLUTION APPROVING A TRANSFER IN THE AMOUNT OF \$115,500 FROM THE UNAPPROPRIATED BALANCE OF THE AIRPORT CAPITAL PROJECTS FUND (4033) TO THE AIRPORT OPERATING FUND (4031); APPROVING A SUPPLEMENTAL APPROPRIATION IN THE AMOUNT OF \$115,500 FROM THE INCREASE IN THE UNAPPROPRIATED BALANCE OF THE AIRPORT OPERATING FUND (4031), RESULTING FROM THE ABOVE TRANSFER, TO THE ENTERPRISE FACILITIES DEPARTMENT, AIRPORT ADMINISTRATION DIVISION (282-1877); AND PROVIDING AN EFFECTIVE DATE.

WHEREAS construction of the new Terminal Hangar (Project #13279) at the Albert Whitted Airport was completed; and

WHEREAS liquidated damages in the amount of \$161,106.79 were collected against the prime contractor due to delays in construction; and

WHEREAS the liquidated damages, in the amount of \$161,106.79, currently reside within the unappropriated fund balance of the Airport Capital Fund (4033) after the close out of the Terminal Hangar Project (Project #13279);

WHEREAS \$115,500 of these project savings could be transferred from the Airport Capital Fund (4033) into the Airport Operating Fund (4031) and appropriated for various operating budget uses including:

\$30,000 to the Stormwater Pollution Prevention Plan (SWPPP) and Spill Prevention Control and Countermeasure Plan (SPCC)

\$40,000 to the Airport Compliance Document Update

\$45,500 to be used as a one-time payment to Sheltair Aviation for liquidated damages from the Terminal Hangar Project

NOW, THEREFORE BE IT RESOLVED by the City Council of the City of St. Petersburg that there is hereby approved the following transfer for FY19:

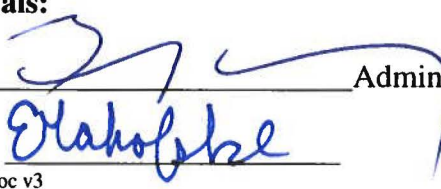

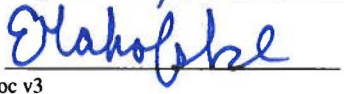
<u>Airport Capital Projects Fund (4033)</u>	
Airport Operating Fund (4031)	\$115,500

BE IT FURTHER RESOLVED that there is hereby approved from the unappropriated balance of the Airport Operating Fund (4031) resulting from the above transfer the following supplemental appropriation for FY19:

Airport Operating Fund (4031)
Enterprise Facilities Department,
Airport Administration Division (282-1877) \$115,500

This resolution shall become effective immediately upon its adoption.

Approvals:

Legal:  Administration: 
Budget: 

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