

ITEM #: 21
 DATE: 08-26-25
 DEPT: PW

COUNCIL ACTION FORM

SUBJECT: 2025/26 AIRPORT FACILITY IMPROVEMENTS (FUEL FARM REPLACEMENT - JET FUEL TANK)

BACKGROUND:

The City of Ames Capital Improvements Plan includes replacement of the Jet A fuel tank at the Ames Municipal Airport in the FY 2025/26 Airport Facility Improvements Program. **This program addresses the modernization of fueling facilities for safety, storage, and environmental protection. It replaces the existing 10,000 gallon underground storage tank with a modern 14,000 gallon above ground storage tank.**

On August 12, 2025, the Iowa Transportation Commission approved the City’s application for State Airport Improvement Program (AIP) funding. Following that approval, **the Iowa DOT notified City staff that available funding for this project is limited to \$400,000, which is slightly less than the \$412,500 originally identified in the adopted Capital Improvements Plan (CIP).** The State of Iowa has awarded a grant covering 55% of eligible costs, not to exceed \$400,000, for the Jet Fuel Farm Replacement – Jet A project.

Staff is recommending backfilling the \$12,500 difference in grant funding from the Airport Improvement Fund, which is projected to have a balance of \$324,940 at the end of FY 2025/26.

Revenues	
State Airport Improvement Program Grant (55% eligible costs; max)	\$400,000
General Obligation Bonds	\$312,500
Airport Improvement Funds	\$12,500
Total Revenues	\$725,000

Expenses	
Project Cost – Jet Fuel Farm Replacement (Jet A Tank)	\$725,000
Total Expenses	\$725,000

ALTERNATIVES:

1. Approve proceeding with the FY 2025/26 Airport Facility Improvements Program (Jet Fuel Farm Replacement – Jet A project) by:
 - a. Approving the State of Iowa Airport Improvement Program Grant Agreement
 - b. Allocating \$12,500 from the Airport Improvement Fund for the project
2. Do not approve the grant agreement. This would forfeit the awarded state funds, requiring the City to fully fund the project locally.

CITY MANAGER'S RECOMMENDED ACTION:

The Jet Fuel Farm is a critical piece of airport facility infrastructure. Without a functioning Jet A fuel system, the Fixed Base Operator cannot provide essential fueling services, and the Airport's ability to serve based aircraft, itinerant users, and emergency operations would be severely compromised. Replacing the aging Jet A tank is necessary to maintain safety, reliability, and compliance with environmental standards. Therefore, it is the recommendation of the City Manager to approve Alternative No. 1 as shown above.

ATTACHMENT(S):

[FY2026 AIP Agreement AMW.pdf](#)

[FY2026 State AIP Letter AMW.pdf](#)