

OAK RIDGE CITY COUNCIL MEMORANDUM

DATE: January 19, 2021

TO: Honorable Mayor and City Council

FROM: Mark Watson , City Manager

SUBJECT: Acceptance of Grants to Aid in Development of The Oak Ridge General Aviation Airport

Introduction

In accordance with the City Charter Article II, Section 2, this memorandum shall serve as my official written request to the City Clerk to call a special meeting of the Oak Ridge City Council for Tuesday, January 19, 2021 at 6:00 p.m.

The sole item for City Council's consideration at this special meeting is the acceptance of five (5) grants from the Appalachian Regional Commission and the State of Tennessee designated to aid in the development of the Oak Ridge General Aviation Airport and authorizing the City Manager to execute documents relative to acceptance and execution.

Funding

No significant funding is required for this item. For grants which require matches, funding will either come from grants from other agencies or in-kind donations. Should this prove not to be the case, staff will seek further authorization.

Background

On July 21, 2020, City Council approved Resolution Number 7-75-2020 authorizing actions related to the Oak Ridge General Aviation Airport. These actions included seeking transfer of sponsorship of the airport from the Metropolitan Knoxville Airport Authority (MKAA) to the City of Oak Ridge and initiating transfers of grants related to the airport to the City.

Transfer of the sponsorship to the City was accomplished on September 28, 2020 through an assignment and assumption agreement with the Federal Aviation Administration (FAA).

Staff took steps to effectuate transfer of grant funding from the Appalachian Regional Commission (ARC) and the Tennessee Aeronautics Economic Development Fund (AEDF) from MKAA to the City to realign it with the new sponsorship.

ARC determined that it was more appropriate to cancel the original grants to MKAA and re-issue new grants with the same terms to the City of Oak Ridge. As such, they have developed a grant (TN-18621-A) in the amount of \$3,193,097.41 to the City of Oak Ridge for planning and design functions related to the airport. This grant requires a match of \$1,463,694.69. This match will be covered by AEDF funds.

ARC developed a second grant (TN-18621-C1-302-20) in the amount of \$1 million for pre-airfield construction activities, including the relocation of existing infrastructure. This grant requires a \$1 million match the State of Tennessee has agreed to supply through the AEDF grants.

The AEDF funds have been provided through three separate appropriations, an FY 2018 appropriation of \$15 million which requires no match; an FY 2019 appropriation of \$3 million and an FY 2020 appropriation of \$1 million. The latter two requiring a 10% match.

It is anticipated that land and other donations from the Community Reuse Organization of East Tennessee (CROET) and other sources will be used as the required match for the state grants which require such matches.

The purpose of the attached resolution is to accept the grants from these two sources and authorize the City Manager to execute contracts on behalf of the City approving them. Acceptance of the ARC grant is based on the use of AEDF funding for the required match. Acceptance of the AEDF \$15 million grant requires no match. Acceptance of AEDF grants which require match will be contingent on the match not requiring the expenditure of City funding absent further Council action.

Recommendation

Approval of the attached resolution is recommended.

Attachments:

[Resolution - Acceptance of Five Airport Grants.pdf](#)