



## Recommendation for Action

**File #: 21-2349, Agenda Item #: 7.**

**7/29/2021**

### **Posting Language**

Approve a resolution authorizing negotiation and execution of a Local On-System Improvement Project agreement with the Texas Department of Transportation for the construction of intersection and operational improvements on US 183 at Metropolis Drive that will allow access to a new fuel storage facility, for an additional \$748,939 resulting in a total contract amount not to exceed \$799,890.

### **Lead Department**

Department of Aviation.

### **Fiscal Note**

Funding in the amount of \$799,890 is available in the Fiscal Year 2020-2021 Capital Budget of the Department of Aviation.

### **Prior Council Action:**

February 18, 2021 - Council approved negotiation and execution of a Local On-System Improvement Project agreement with the Texas Department of Transportation for an amount of \$50,951 for the costs incurred related to engineering review of the intersection and operational improvements.

### **For More Information:**

Tracy Thompson, Chief Officer- Administration & External Affairs - 512-530-5023; Shane Harbinson, Airport Deputy Chief - 512-530-6652; or David Smythe-Macaulay, Aviation Project Manager - 512-530-6601.

### **Council Committee, Boards and Commission Action:**

July 13, 2021 - Aviation Advisory Commission passed unanimously on a 6-0-0-3 vote.

### **Additional Backup Information:**

This Request for Council Action is to update the total contract amount for the intersection and operational improvements as required by The Texas Department of Transportation (TxDOT). The City of Austin, Department of Aviation will cover any cost overruns (if any) through an amendment to the Local On-System Improvement Project (LOSA) and required Council approval.

The improvements on US 183 at Metropolis Drive are being undertaken by the Department of Aviation at the request of AUS Fuel Company LLC (the Tenant) which comprises a consortium of signatory airlines, to provide fuel to the airlines at Austin-Bergstrom International Airport (AUS).

All City costs, including overruns, related to this LOSA will be reimbursed by the Tenant who is responsible for the total contract amount of all improvements and potential changes under the terms of the Tenant's contract with the Department of Aviation. The Department of Aviation executed the lease agreement with the Tenant in December 2000 and amended it in October 2019 to reflect the new terms related to this LOSA.

Austin-Bergstrom International Airport is classified by the Federal Aviation Administration (FAA) as a national priority airport and is the fifth busiest airport in Texas. Passenger traffic at the airport has followed a consistent

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upward trend. The Airport Master Plan describes the need for additional airline fuel capacity due to continued growth of the airport. This growth results in a continuing need for more airline fuel capacity, which requires the expansion of the airline fuel storage facility. The current facility will no longer be able to handle the demand for jet fuel. As such, a larger facility is required to meet the needs up to 2040 and beyond. The Tenant has proposed improvements to their existing fuel storage facility on Spirit of Texas Drive and construction of a new larger fuel storage facility along US 183 at Metropolis Drive.

To facilitate the overall project objectives, this request will allow intersection and operational improvements within the TxDOT Right Of Way for access to the proposed fuel storage facility along US 183 at Metropolis Drive. The proposed facility will include bulk fuel storage tanks, offloading racks, and two underground fuel transfer lines to the existing facility. Once complete, all offloading operations at the existing facility will be moved to the US 183 facility. The method of fueling aircraft fueling vehicles will not change. Fuel will be pumped via the proposed fuel transfer line from the proposed fuel storage facility to the existing fuel storage facility where aircraft fueling vehicles will be filled.

An Environmental Assessment was performed as required by the FAA to document and evaluate the environmental impacts resulting from improvements to the fuel farm expansion. Implementation of this expansion will not result in impacts that exceed any of the thresholds established within FAA Orders 1050.1F or 5050.4B. Additionally, no formal, agency required mitigation measures are required. To minimize potential impacts during construction, best management practices will be employed. Potential impacts resulting from the introduction of an additional access point at the intersection of Highway 183 and Metropolis Drive will be minimized with the installation of a 4th traffic signal, as well as acceleration and deceleration lanes for fuel trucks that access the site.

Without approval, the fuel farm expansion will not be undertaken, resulting in a shortage of fuel which may reduce the ability to fuel the forecasted increase in air traffic at AUS, and will require the undesirable increase in fueling truck trips to AUS on surrounding highway and road systems - which in turn results in overall higher fuel costs for those airlines serving AUS.

This project is located within District 2.

**Strategic Outcome(s):**

Mobility.