

WAL06AIR

TYPE OF RECORD:	PERMANENT
CATEGORY OF RECORD:	CONTRACT
NAME OF CONTRACTOR:	FEDERAL AVIATION ADMINISTRATION (FAA)
SUBJECT/PROJECT:	CONSTRUCT AIR CARGO APRON GRANT (PHASE I) AND ACQUIRE SNOW REMOVAL EQUIPMENT (SRE) (FRONT END LOADER) CONTRACT NO. DOT-FA06NM-1079
CITY DEPARTMENT:	ADMINISTRATION
YEAR:	2006
EXPIRATION DATE:	NONE
DESTRUCTION DATE:	NONE

U.S. Department
of Transportation

GRANT AGREEMENT

Federal Aviation
Administration

Part I - Offer

Date of Offer: August 16, 2006

Airport: Walker Field

Project Number: 3-08-0027-31

Contract Number: DOT-FA06NM-1079

DUNS Number: 156135394

To: The City of Grand Junction, the County of Mesa and the Walker Field, Colorado, Public Airport Authority (herein called the "Sponsor")

From: The United States of America (acting through the Federal Aviation Administration, herein called the "FAA")

Whereas, the Sponsor has submitted to the FAA a Project Application dated April 3, 2006 for a grant of Federal funds for a project at or associated with Walker Field, which Project Application, as approved by the FAA, is hereby incorporated herein and made a part hereof; and

Whereas, the FAA has approved a project for the Airport (herein called the "Project") consisting of the following:

Construct air cargo apron (phase I) and acquire snow removal equipment (SRE) (front end loader),

all as more particularly described in the Project Application.

Whereas this project will not be completed during fiscal year 2006, and the total U.S. share of the estimated cost of completion will be \$1,390,328;

NOW THEREFORE, pursuant to and for the purpose of carrying out the provisions of Title 49, United States Code, as amended, herein called "the Act", and in consideration of (a) the Sponsor's adoption and ratification of the representations and assurances contained in said Project Application and its acceptance of this offer as hereinafter provided, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the assurances and conditions as herein provided, **THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES** to pay, as the United States share of the allowable costs incurred in accomplishing the Project, 95.00 per centum thereof.

This Offer is made on and **SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:**

Conditions

1. The maximum obligation of the United States payable under this offer shall be \$1,311,214. For the purpose of any future grant amendments which may increase the foregoing maximum obligation of the United States under the provisions of Section 47108(b) of the Act, the following amounts are being specified for this purpose:

 \$-0- for planning
 \$1,311,214 for airport development and noise program implementation
2. The allowable costs of the project shall not include any costs determined by the FAA to be ineligible for consideration as to allowability under the Act.
3. Payment of the United States share of the allowable project costs will be made pursuant to and in accordance with the provisions of such regulations and procedures as the Secretary shall prescribe. Final determination of the United States share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
4. The sponsor shall carry out and complete the Project without undue delay and in accordance with the terms hereof, and such regulations and procedures as the Secretary shall prescribe, and agrees to comply with the assurances which were made part of the project application.
5. The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the sponsor.
6. This offer shall expire and the United States shall not be obligated to pay any part of the costs of the project unless this offer has been accepted by the sponsor on or before August 22, 2006, or such subsequent date as may be prescribed in writing by the FAA.
7. The Sponsor shall take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or disbursed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. It shall obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. It shall return the recovered Federal share, including funds recovered by settlement, order or judgment, to the Secretary. It shall furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or

other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share shall be approved in advance by the Secretary.

8. The United States shall not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

Special Conditions

9. The sponsor will carry out the project in accordance with policies, standards, and specifications approved by the Secretary including but not limited to the advisory circulars listed in the "Current FAA Advisory Circulars for AIP Projects," dated June 15, 2005, and included in this grant, and in accordance with applicable state policies, standards, and specifications approved by the Secretary.
10. The sponsor agrees to monitor progress on the work to be accomplished by this grant. For consultant services, the Sponsor agrees to make payment only for work that has been satisfactorily completed. It is understood by and between the parties hereto that the approximate value of the final project documentation is ten percent (10%) of the total value of the engineering services contract, and that amount will not be paid to the Engineer until acceptable final project documentation is provided.
11. The Sponsor agrees to request cash drawdowns on the letter of credit only when actually needed for its disbursements and to timely reporting of such disbursements as required. It is understood that failure to adhere to this provision may cause the letter of credit to be revoked.
12. The maximum obligation for the current fiscal year stated in Condition 1 of this agreement may be increased by the additional amounts, if any, added by the document issued under the subparagraph below, but may not exceed the United States' share of the total estimated cost of completion, except as provided in Section 47108(b) of the Act.

Under Section 47108 of the Act, as amended, and at the Sponsor's request, the FAA commits the United States to obligate an additional amount to this project for FY- 2007 pursuant to Section 47114 of said Act, and subject to the restrictions on the use of such apportionments now or hereafter imposed on FAA by statute now or hereafter enacted by any regulation. It is further understood by the parties that this commitment does not in itself obligate, preclude, nor restrict the FAA in the use of any funds made available for discretionary use under Section 47114 of said Act to further aid the Sponsor in meeting the cost of this project under the terms of this agreement and limitations of the law.

The exact amount of this commitment will be established for each fiscal year by the FAA in a letter to the Sponsor stating the current maximum obligation for this project. This letter will be issued to the Sponsor by FAA when such computation and obligation can be made in FY- 2007. The parties agree that upon its issuance, this letter shall be considered incorporated by reference into, and part of, this agreement.

13. It is mutually understood and agreed that if, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000.00 or five percent (5%), whichever is greater, the maximum obligation of the United States can be unilaterally reduced by letter from the FAA advising of the budget change. Conversely, if there is an overrun in the total actual eligible and allowable project costs, FAA may increase the maximum grant obligation of the United States to cover the

amount of the overrun not to exceed the statutory percent limitation and will advise the Sponsor by letter of the increase. It is further understood and agreed that if, during the life of the project, the FAA determines that a change in the grant description is advantageous and in the best interests of the United States, the change in grant description will be unilaterally amended by letter from the FAA. Upon issuance of the aforementioned letter, either the grant obligation of the United States is adjusted to the amount specified or the grant description is amended to the description specified.

14. Unless otherwise approved by the FAA, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for airport development or noise compatibility for which funds are provided under this grant. The Sponsor will include in every contract a provision implementing this special condition.
15. In accordance with Section 47108(b) of the Act, as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
 - a. may not be increased for a planning project;
 - b. may be increased by not more than 15 percent for development projects;
 - c. may be increased by not more than 15 percent for land projects.
16. The FAA in tendering this Grant Offer on behalf of the United States recognizes the existence of a Co-Sponsorship Agreement between the Walker Field, Colorado, Public Airport Authority, the City of Grand Junction, Colorado and the County of Mesa, Colorado. By acceptance of the Grant Offer, said parties assume their respective obligations as set forth in said Co-Sponsorship Agreement. It is understood and agreed that said Agreement will not be amended, modified, or terminated without prior written approval of the FAA.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Craig A Sparks
Manager, Denver Airports District Office

Part II - Acceptance

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this 17th day of August, 2006.



Attorney: Stephanie Tuin
Title: City Clerk

CITY OF GRAND JUNCTION, COLORADO

[Signature]
Sponsor's Designated Official Representative
Title: Mayor

Certificate of Sponsor's Attorney

I, [Signature] acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Colorado. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Grand Junction this 17th day of August, 2006.

[Signature]
Signature of Sponsor's Attorney

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this 14th day of August, 2006.

COUNTY OF MESA, COLORADO

(SEAL)

Attest: *Jarvis Ward*

Title: Mesa County Clerk & Recorder

Tilman M. Bishop
Sponsor's Designated Official Representative
Tilman M. Bishop 08-14-2006
Title: Chairman Board of Mesa County Commissioners

Certificate of Sponsor's Attorney

I, *Maurice Lyle Dechant*, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Colorado. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.


Dated at *Grand Junction, CO*, this *21st* day of *August*, 2006.

Maurice Lyle Dechant
Signature of Sponsor's Attorney

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project Application and incorporated materials referred to in the foregoing Offer and does hereby accept this Offer and by such acceptance agrees to comply with all of the terms and conditions in this Offer and in the Project Application.

Executed this 21st day of August, 2006.

WALKER FIELD, COLORADO, PUBLIC AIRPORT
AUTHORITY



Sponsor's Designated Official Representative

(SEAL)

Attest: Charles S. Normani

Title: BOARD CHAIRMAN

Title: CLERK TO BOARD

Certificate of Sponsor's Attorney

I, Kirk Rider, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Colorado. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Grand Jcty CO this 21st day of August, 2006.

Kirk Rider

Signature of Sponsor's Attorney

SUPPLEMENTAL CO-SPONSORSHIP AGREEMENT

This Supplemental Co-Sponsorship Agreement is entered into and effective this 22nd day of August, 2006, by and between the Walker Field, Colorado, Public Airport Authority ("Airport Authority"), and the City of Grand Junction (City).

RECITALS

A. The Airport Authority is a political subdivision of the State of Colorado, organized pursuant to Section 41-3-101 et seq., C.R.S. The Airport Authority is a separate and distinct entity from the City.

B. The Airport Authority is the owner and operator of the Walker Field Airport, located in Grand Junction, Colorado ("Airport").

C. Pursuant to the Title 49, U.S.C., Subtitle VII, Part B, as amended, the Airport Authority has applied for monies from the Federal Aviation Administration ("FAA"), for the construction of certain improvements upon the Airport, pursuant to the terms, plans and specifications set forth in AIP Grant Application No. 3-08-0027-31 ("Project").

D. The FAA is willing to provide approximately \$1,311,214 toward the estimated costs of the Project, provided the City of Grand Junction and Mesa County execute the Grant Agreement as co-sponsors with the Airport Authority. The FAA is insisting that the City and County execute the Grant Agreement as co-sponsors for two primary reasons. First, the City and County have taxing authority, whereas the Airport Authority does not; accordingly, the FAA is insisting that the City and County execute the Grant Agreement so that public entities with taxing authority are liable for the financial commitments required of the Sponsor under the Grant Agreement, should the Airport Authority not be able to satisfy said financial commitments out of the net revenues generated by the operation of the Airport. In addition, the City and County have jurisdiction over the zoning and land use regulations of the real property surrounding the Airport, whereas the Airport Authority does not enjoy such zoning and land use regulatory authority. By their execution of the Grant Agreement, the City and County would be warranting to the FAA that the proposed improvements are consistent with their respective plans for the development of the area surrounding the Airport, and that they will take appropriate actions, including the adoption of zoning laws, to restrict the use of land surrounding the Airport to activities and purposes compatible with normal Airport operations.

E. The City is willing to execute the Grant Agreement, as a co-sponsor, pursuant to the FAA's request, subject to the terms and conditions of this Supplemental Co-Sponsorship Agreement between the City and Airport Authority.

Therefore, in consideration of the above Recitals and the mutual promises and representations set forth below, the City and Airport Authority hereby agree as follows:

AGREEMENT

1 By its execution of this Agreement, the City hereby agrees to execute the Grant Agreement, as a co-sponsor, pursuant to the FAA's request.

2 In consideration of the City's execution of the Grant Agreement, as co-sponsor, the Airport Authority hereby agrees to hold the City, its officers, employees, and agents, harmless from, and to indemnify the City, its officers, employees, and agents for:

(a) Any and all claims, lawsuits, damages, or liabilities, including reasonable attorney's fees and court costs, which at any time may be or are stated, asserted, or made against the City, its officers, employees, or agents, by the FAA or any other third party whomsoever, in any way arising out of, or related under the Grant Agreement, or the prosecution of the Project contemplated by the Grant Agreement, regardless of whether said claims are frivolous or groundless, other than claims related to the City's covenant to take appropriate action, including the adoption of zoning laws, to restrict the use of land surrounding the Airport, over which the City has regulatory jurisdiction, to activities and purposes compatible with normal Airport operations, set forth in paragraph 21 of the Assurances incorporated by reference into the Grant Agreement ("Assurances"); and

(b) The failure of the Airport Authority, or any of the Airport Authority's officers, agents, employees, or contractors, to comply in any respect with any of the requirements, obligations or duties imposed on the Sponsor by the Grant Agreement, or reasonably related to or inferred therefrom, other than the Sponsor's zoning and land use obligations under Paragraph 21 of the Assurances, which are the City's responsibility for lands surrounding the Airport over which it has regulatory jurisdiction.


1 By its execution of this Agreement, the Airport Authority hereby agrees to comply with each and every requirement of the Sponsor, set forth in the Grant Agreement, or reasonably required in connection therewith, other than the zoning and land use requirements set forth in paragraph 21 of the Assurances, in recognition of the fact that the Airport Authority does not have the power to effect the zoning and land use regulations required by said paragraph.

2 By its execution of this Agreement and the Grant Agreement, the City agrees to comply with the zoning and land use requirements of paragraph 21 of the Assurances, with respect to all lands surrounding the Airport that are subject to the City's regulatory jurisdiction. The City also hereby warrants and represents that, in accordance with paragraph 6 of the Special Assurances; the Project contemplated by the Grant Agreement is consistent with present plans of the City for the development of the area surrounding the Airport.

3 The parties hereby warrant and represent that, by the City's execution of the Grant Agreement, as a co-sponsor, pursuant to the FAA's request, the City is not a co-owner, agent, partner, joint venturer, or representative of the Airport Authority in the ownership, management or administration of the Airport, and the Airport Authority is, and remains, the sole owner of the Airport, and solely responsible for the operation and management of the Airport.

Done and entered into on the date first set forth above. WALKER FIELD, COLORADO, PUBLIC AIRPORT AUTHORITY

By  F. Roger Little, Chairman

CITY OF GRAND JUNCTION By  David Varley, Interim/Assistant City Manager