



## Recommendation for Action

**File #: 21-1113, Agenda Item #: 7.**

**2/18/2021**

### **Posting Language**

Approve a resolution authorizing negotiation and execution of a Local On-System Improvement Project agreement with the Texas Department of Transportation for improvements on US 183 at Metropolis Drive that will allow access to a new fuel storage facility for a total contract amount not to exceed \$50,951.

### **Lead Department**

Department of Aviation

### **Fiscal Note**

Funding in the amount of \$50,951 is available in the Fiscal Year 2020-2021 Capital Budget of the Department of Aviation.

### **For More Information:**

Tracy Thompson, Chief Officer- Administration & External Affairs - 512-530-5023; Brian Long, Airport Deputy Chief - 512-530-2422; or David Smythe-Macaulay, Aviation Project Manager - 512-530-6601.

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

Reviewed by the Aviation Advisory Commission on 2/9/2021.

### **Additional Backup Information:**

Austin-Bergstrom International Airport (AUS) is classified by the Federal Aviation Administration (FAA) as a medium-hub airport and is the fifth busiest airport in Texas. Passenger traffic at the airport has followed a consistent upward trend. Prior to COVID-19, the projected increase of passengers created a need for additional fuel storage. AUS executed a tenant lease agreement in December 2000 and amended it in October 2019 with AUS Fuel Company LLC (the Tenant) which comprises a consortium of airline carriers, to provide fuel to the airline carriers.

The Airport Master Plan describes the need for additional fuel capacity due to continued growth of the airport. This growth results in a continuing need for more fuel capacity, which requires the expansion of the 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 improvements within the Texas Department of Transportation (TxDOT) Right Of Way (ROW) 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 site will be moved to the US 183 facility. The method of fueling on-airport 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 on-airport fuel trucks will be filled. The Tenant is responsible for the cost of all these improvements, including TxDOT direct costs.

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An Environmental Assessment (EA) 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 Tenant may default on their agreement and airline carriers will incur higher cost for fuel.

This project is located within District 2.

**Strategic Outcome(s):**

Mobility.