



U.S. Department
of Transportation
**Federal Aviation
Administration**

Northwest Mountain Region
Colorado · Idaho · Montana · Oregon · Utah
Washington · Wyoming

Denver Airports District Office
26805 E. 68th Ave., Suite 224
Denver, CO 80249

January 18, 2024

The Honorable Nanette Billings
Mayor, Hurricane City
147 N 870 W
Hurricane, Utah 84737

Dear Mayor Billings,

We are writing you regarding a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant issued to the City of Hurricane, Utah. AIP Grant No. 3-49-0012-009-2021 ("AIP-009") was issued by the FAA on May 13, 2021, for the design of lighting systems for Runway 1/19 and Taxiway A at General Dick Stout Field in the amount of \$137,100.00 at a 100% Federal share. The grant was fully executed by the City on May 28, 2021, and the funds obligated.

As part of the City's acceptance of an AIP grant, the City agrees to certain terms, conditions and assurances that shall be complied with during both the performance period of the grant agreement and the life of the project. Specifically, Special Condition #26 of AIP-009 states the following:

Design Grant. This Grant Agreement is being issued in order to complete the design of the project. The Sponsor understands and agrees that within 2 years after the design is completed that the Sponsor will accept, subject to the availability of the amount of Federal funding identified in the Airport Capital Improvement Plan (ACIP), a grant to complete the construction of the project in order to provide a useful and useable unit of work. The Sponsor also understands that if the FAA has provided Federal funding to complete the design for the project, and the Sponsor has not completed the design within four (4) years from the execution of this Grant Agreement, the FAA may suspend or terminate grants related to the design.

The design under AIP-009 was completed, and an acceptance letter was provided by our office, the Denver Airports District Office (Denver ADO), on January 20, 2022. The project was advertised, and bids were received on January 27, 2022. The Airport's consultant provided a letter of recommendation and summary of bids on January 31, 2022.

In March 2022, our office received word that the City may not move forward with the construction of the runway and taxiway lighting. Discussions began in earnest between the City and our office through a series of emails and, ultimately, a virtual meeting on March 28, 2022, which included the Denver ADO, the Mayor, members of the City and members of the Airport Board. It was mentioned by the Denver ADO in emails on March 22, 2022, March 24, 2022, and in the virtual meeting that failure to complete the lighting project would result in repayment of Federal funds expended thus far on the design.

On May 16, 2022, the Denver ADO received an email from Mike Vercimak, Public Works Director, that on "Thursday, May 5, 2022 the City Council of Hurricane voted not to award the bid on the lighting project."

To date, the City has not moved forward with the lighting project, through either another AIP grant or its own funds, and we are approaching two years since the design was completed. Per Special Condition #26 the FAA has not received a useful and useable unit of work in a reasonable timeframe and must ask for a repayment of Federal funds expended on the project.

The City has submitted five requests for reimbursement to the FAA totaling \$124,073.00, the last of which was paid on January 4, 2022. Therefore, ***the FAA is formally requesting repayment of Federal funds in the amount of \$124,073.00.*** We request the funds be repaid within ***60 days*** of the date of this letter, and upon repayment, AIP Grant No. 3-49-0012-009-2021 will be terminated.

Please contact Denver ADO Project Manager, Eric Trinklein, at eric.trinklein@faa.gov to discuss the method of repayment.

We regret that we were not able to move forward with this project, but we hope for continued partnership with the City on future projects.

Sincerely,

John P. Bauer
Manager, Denver Airports District Office

cc: Mr. Dayton Hall, Hurricane City Attorney
Mr. Mike Vercimak, Hurricane City Public Works
Mr. Matt Maass, Director, UDOT Division of Aeronautics
Mr. Kirt McDaniel, Project Manager, Aviation