



GRANT AGREEMENT

U. S. Department of Transportation
Federal Aviation Administration

Date of Offer: [Current Date]
Project Number: [AIP Project Number]

Recipient: [Recipient Name] (Herein called [Enter "Sponsor"])
Airport: [Airport Name]

OFFER

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay, as the United States' share, [Percentage in words] percent ([Funding Percentage in Numbers]%) of the allowable costs incurred in accomplishing the project consisting of the following:

“[Grant Description] ”

as more particularly described in the Project Application dated [Application Date].

[\[For Single Year Airport Sponsor Grants Include This Paragraph\]](#)The maximum obligation of the United States payable under this Offer shall be \$[Development Portion] for airport development, \$[Noise Program Portion] for noise program implementation, \$[Land Portion] for land, and \$[Planning Portion] for planning.

[\[For Multiyear Grants Include This Paragraph\]](#)The maximum obligation of the United States payable under this Offer shall be [Federal Funding For Current Fiscal Year]. Whereas this project will not be completed during FY [Current Fiscal Year], and the total US share of the estimated cost of completion will be \$[Remaining cost FAA will fund], 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. The FAA will issue this letter to the Sponsor when such computation and obligation can be made in FY Fiscal Year[Add "s" if there are more than one more year of the grant] [Remaining Fiscal Year] subject to the restriction on the use of such apportionments imposed on FAA by existing and future Appropriations Acts. This commitment does not in itself obligate, preclude, or restrict the FAA in the use of any funds made available for discretionary use to further aid the sponsor in meeting the cost of this project.

This offer is made in accordance with and for the purpose of carrying out the provisions of Title 49, United States Code, herein called Title 49 U.S.C. Acceptance and execution of this offer shall comprise a Grant Agreement, as provided by Title 49 U.S.C., constituting the contractual obligations and rights of the United States and the Sponsor.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

Manager, [ADO Name] Airports District Office

SPECIAL CONDITIONS

[\[If you have only one small special condition, cut and paste it here. Otherwise, use the attachment. Delete this whole section if there are no special conditions.\]](#) **Terms and Conditions Signed and Dated on** [Date signed by Sponsor]

ACCEPTANCE

[\[Use for Airport Sponsors\]](#)The Sponsor agrees to accomplish the project in compliance with the terms and conditions contained herein, in the Project Application, and in the January 2007 “Terms and Conditions of Accepting Airport Improvement Program Grants” signed on [Enter the date the sponsor signed the Terms and Conditions. If the timing works out that the grant and the "Terms and Conditions" are sent out at the same time, put a blank line here and instruct the sponsor to fill in the date on all copies.]

Executed this ___ day of _____, 20___

Signature of [Enter "Sponsor"]'s Designated Official

Representative

(Seal)

Title

CERTIFICATE OF [Enter "Sponsor"]'S ATTORNEY

I, _____, acting as Attorney for the [Enter "Sponsor"] do hereby certify: That in my opinion the [Enter "Sponsor"] is empowered to enter into the foregoing Grant Agreement under the laws of [Name of the State]. Further, I have examined the foregoing Grant Agreement, and the actions taken by said [Enter "Sponsor"] relating thereto, and find that the acceptance thereof by said [Enter "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 Title 49 U.S.C. In addition, for grants involving projects to be carried out on property not owned by the [Enter "Sponsor"], there are no legal impediments that will prevent full performance by the [Enter "Sponsor"]. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the [Enter "Sponsor"] in accordance with the terms thereof.

Signature of Sponsor's Attorney

Executed this ___ day of _____, 20

[Delete Any Of The Following That Do Not Apply]

PROJECT NO.: [Project Number]

DATE OF GRANT OFFER: [Date Of Offer]

ATTACHMENT A: SPECIAL CONDITIONS

1. **[Special Condition "A" - Obstruction in Approach Surfaces. Required when approaches or transitional surfaces are not cleared at the time of the grant offer. (No Reference)] ADO's judgement should be used to determine if Option 1 or 2 should be used. The other option should be deleted. Option 1** It is mutually agreed that the sponsor will not incur costs which would cause the payments due from the United States under the terms of this grant agreement to exceed fifty percent (50%) of the maximum obligation cited until the sponsor has cleared and protected the approach zones, transitional zones and primary surface of Runway [Name of Runway] on airport property in accordance with the provisions of the assurance in Section III.C.20 of the "Terms and Conditions of Accepting Airport Improvement Program Grants". **Option 2** Upon review of available airport information, it appears that there are penetrations of FAR Part 77 imaginary surfaces on airport-controlled property. The airport sponsor hereby agrees to initiate an obstruction survey within 6 months of the acceptance date of this Grant Agreement to verify the existence/non-existence of such penetrations. In the event such penetrations are confirmed, the airport sponsor agrees to develop a plan and schedule, no later than 12 months after the acceptance date of this grant agreement, to mitigate such penetrations by removal or other methods acceptable to the FAA.
2. **[Special Condition "B" - Airport Property Not Acquired at Time of Grant. Necessary when all airport property needed to construct the grant work item is not acquired in fee prior to the grant offer. (AIP Handbook Paragraph 714)]**A Notice to Proceed shall not be issued to the contractor until the sponsor has acquired the necessary property interest to construct the grant work items. Such interest is identified as fee title for parcels [Name of Parcels] on the Exhibit "A" Property Map.
3. **[Special Condition "C" - Terminal Buildings Percentage. Required when terminal buildings are included in the grant since the rate of participation is prorated and is different than other grant work. (AIP Handbook Paragraph 613)]**For purposes of computing the United States' share of the allowable project costs of the project, the allowable cost of the terminal building development included in the project shall not exceed [Spell Out Percent] percent ([percent as a number]%) of the actual cost of the entire building.
4. **[Special Condition "D" - Utility Percentage. Required when utilities for eligible development are included. (AIP Handbook Paragraphs 515 and 613)]**For purposes of computing the United States share of the allowable project costs, the allowable cost of the [Description of the Utility System in Question] included in the project shall not exceed [The allowable Percentage Of The Actual Cost For The Entire Utility Or A Dollar Cost As Appropriate].
5. **[Special Condition "E" - Utility Relocation Eligibility. Required if the eligibility determination has not been made regarding utility relocation eligibility prior to the grant issuance. (No Reference)]**It is understood and agreed that no payment will be made on the [Type of Utility Relocation In Question] relocation until such time as the FAA makes a determination regarding eligibility and it is also agreed that if a determination is made that the item is not eligible the [Type of Utility Relocation In Question] relocation will be deleted by amendment.
6. **[Special Condition "F" - Partially Complete Projects. Required when the grant does not include a complete and useful unit. (No Reference)]**The sponsor agrees to construct and complete a useful and usable facility by [Date Useful Usable Facility Needs To Be Completed By] with or without federal funds or such subsequent date as may be agreed to by the FAA.
7. **[Special Condition "G" - Required for all grants that include a navaid. (AIP Handbook Paragraph 558)]**Except for instrument landing systems acquired with AIP funds and later donated to and accepted by the FAA, the sponsor must provide for the continuous operation and maintenance of any navigational aid funded under the AIP during the useful life of the equipment. The sponsor must check the facility, including instrument landing systems, prior to commissioning to assure it meets the operational standards. The sponsor must also remove, relocate, or lower each obstruction on the approach or provide for the adequate lighting or marking of the obstruction if any aeronautical study conducted under FAR Part 77 determines that to be acceptable; and mark and light the runway, as appropriate. The Federal Aviation Administration will not take over the ownership, operation, or maintenance of any sponsor-acquired equipment except for instrument landing systems.
8. **[Special Condition "H" - Unapproved Plans and Specifications. Required when a project is placed under grant based on primary plans and specifications. (AIP Handbook Paragraph 1005c)]**It is understood and agreed by and between the parties hereto that this Grant Offer is made and accepted upon the basis of preliminary plans and specifications; and the parties agree that within [Number Of Days From The Grant Offer Plans And Specs Need To Be Submitted] days from the date of acceptance of this Grant Offer, the Sponsor shall furnish final plans and specifications to the FAA, that no construction work will be commenced hereunder, and that no contract will be awarded for the accomplishment of the installation of the AWOS III until the said final plans and specifications have been approved by the FAA; and the parties do further agree that any reference made in this Grant Offer or in the aforesaid Application to plans and specifications shall be considered as having reference to said final plans and specifications as approved.
9. **[Special Condition "I" - Land Acquisition for Future Airport Development. Required when land is included in a grant that is to be used for airport purposes more than five years after acquisition. (AIP Handbook Paragraph 705)]** The Sponsor agrees to perform within [Number of Years Sponsor Has To Perform Development] years of this Grant the airport development that requires this land acquisition, and further agrees not to dispose of the land by sale or lease without prior consent and approval of the Federal Aviation Administration. In the event the land is not used within the [Number of Years Sponsor Has To Perform Development] years for the purpose for which it was

acquired, the Sponsor will refund the Federal share of acquisition cost or the current fair market value of the land, whichever is greater.

10. **[Special Condition "J" - Privately Owned Reliever Airports. Required when the grant is issued to a privately owned, public use airport. (AIP Handbook Paragraph 806)]**No payment shall be made under the terms of this grant agreement for work accomplished on privately owned land until the sponsor submits the agreement with the owner of the property required by assurance in Section III.C.5.d of the "Terms and Conditions of Accepting Airport Improvement Program Grants" and such agreement is determined to be satisfactory. As a minimum, the agreement with the private owner must contain the following provisions:
 - (a) The property owner shall subject the construction work on the project to such inspection and approval during the construction or installation of the noise compatibility measures and after completion of the measures as may reasonably be requested by the Secretary or the sponsor.
 - (b) The property owner shall assume the responsibility for maintenance and operation of the items installed, purchased or constructed under this is grant agreement. Neither the Federal Aviation Administration nor the sponsor bears any responsibility for the maintenance and operation of these items.
 - (c) If Federal funds for the noise compatibility measures are transferred by the sponsor to the owner of the private property, or the owner's agent, the property owner shall agree to maintain and make available to the Secretary or the sponsor, upon reasonable request, records disclosing the amount of funds received and the disposition of those funds.
 - (d) The property owner's right to sue the owner of [Airport Name] for adverse noise impact will be abrogated if the property owner deliberately or willfully acts to reduce or destroy the effectiveness of the noise compatibility measures during the useful life of such measures. This obligation shall remain in effect throughout the useful life of the noise compatibility measures, but not to exceed 20 years from the date of the sponsor's acceptance of Federal aid for the project.
 - (e) No portion of [The Area Dedicated To Airport Use] shall be sold, exchanged or changed from aviation use or the title encumbered without the expressed written consent of the Federal Aviation Administration.
 - (f) It is understood and agreed by the sponsor that [The Portion Of The Airport NOT dedicated To Airport Use But Financially Contributing To The Overall Viability Of The Airport] as shown on the Exhibit A, shall continue to support the operation of the airport for a period of [Number Of Years Area Must Support Airport Operations - Not Less Than 10] years from the date of this grant.
11. **[Special Condition "K" - No DBE Approval. Include in all grants that do not have DBE approval at the time of the grant issuance. (No Reference)]**The sponsor cannot issue a notice to proceed [Or if this is a Reimbursement Grant] make a draw down associated with the work described in this grant until they attain disadvantaged business enterprise (DBE) approval from FAA Civil Rights Division.
12. **[Special Condition "L" - Agency Agreement. Use if there is an agency agreement between the sponsor and the state. (No Reference)]**The sponsor will not amend, modify, or terminate the agency relationship between the sponsor, as principal, and [The Name of the State Agent], as agent, created by the Agency Agreement entered into on [Date of Agency Agreement], without prior written approval of the FAA.
13. **[Special Condition "M" - RPZ Fee Acquisition. Required if RPZ land is acquired as part of the grant. (AIP Handbook Paragraph 701b(1))]**The sponsor agrees not to permit the erection or creation of any permanent structures in any runway protection zone as depicted on the Exhibit "A" Property Map except for [Type of NAVIADS] that are fixed by their functional purposes or any other structure approved by the FAA. Any existing structures or uses within the runway protection zone will be cleared or discontinued unless approved by the FAA.
14. **[Special Condition "N" - RPZ Avigation Acquisition. Required if an RPZ avigation easement is acquired as part of the grant. (AIP Handbook Paragraph 701b(1))]**The sponsor agrees to take any and all steps necessary to ensure that the owner of the land within the designated Runway Protection Zone will not build any structure in the Runway Protection Zone that is an airport hazard or which might create glare or misleading lights or lead to the construction of residences, fuel handling and storage facilities, smoke generating activities, or places of public assembly, such a s churches, schools, office buildings, shopping centers, and stadiums.
15. **[Special Condition "O" - Excluded Work in Plans and Specifications. Required if the plans and specifications includes work excluded from that covered by the grant. (No Reference)]**It is mutually agreed that although the plans and specifications include the construction of [Description of Excluded Work], such work shall not be part of this project and the United States shall not pay any of the costs pertaining to this excluded work. It is further understood that if the sponsor accomplishes this excluded work, the sponsor shall maintain, as a portion of the cost records covering this project, separate cost records pertaining to the above referenced construction. These records shall be prepared and made available for inspection and audit by the FAA to the end that the cost of the excluded work can be definitely determined.
16. **[Special Condition "P" - Pavement Projects \$250,000 or More. Required if the grant agreement includes pavement work that equals or exceeds \$250,000. (AIP Handbook Paragraphs 1220/1221)]**The sponsor agrees to perform the following:
 - (a) Furnish a construction management program to FAA prior to the start of construction which shall detail the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal specifications. The program shall include as a minimum:
 - (1) The name of the person representing the sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract.
 - (2) Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of the services to be provided.

- (3) Procedures for determining that testing laboratories meet the requirements of the American Society of Testing Materials standards on laboratory evaluation referenced in the contract specifications (D3666, C1077).
 - (4) Qualifications of engineering supervision and construction inspection personnel.
 - (5) A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test.
 - (6) Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, that the proper corrective actions, where necessary, are undertaken.
- (b) Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or did not meet the applicable test standard. The report shall include the pay reductions applied and reasons for accepting any out-of-tolerance material. An interim test and quality control report shall be submitted, if requested by the FAA.
 - (c) Failure to provide a complete report as described in paragraph (b), or failure to perform such tests, shall, absent any compelling justification, result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction shall be at the discretion of the FAA and will be based on the type or types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under the grant agreement.
 - (d) The FAA, at its discretion, reserves the right to conduct independent tests and to reduce grant payments accordingly if such independent tests determine that sponsor tests results are inaccurate.
17. **[Special Condition "Q" - Pavement Replacement or Reconstruction. Required if the grant contains any project to replace or reconstruct pavement at the airport. (AIP Handbook Paragraphs 520a and 520d)]** For a project to replace or reconstruct pavement at the airport, the sponsor shall implement an effective airport pavement maintenance management program as is required by the assurance in Section III.C.11 of the "Terms and Conditions of Accepting Airport Improvement Program Grants". The sponsor shall use such program for the useful life of any pavement constructed, reconstructed, or repaired with Federal financial assistance at the airport. An effective pavement maintenance management program is one that details the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed. An airport sponsor may use any form of inspection program it deems appropriate, however, the program must, as a minimum, include the following:
- (a) Pavement Inventory. The following must be depicted in an appropriate form and level of detail:
 - (1) Location of all runways, taxiways, and aprons
 - (2) Dimensions
 - (3) Type of pavement
 - (4) Year of construction or most recent major rehabilitation

For compliance with the Airport Improvement Program assurances, pavements that have been constructed, reconstructed, or repaired with Federal financial assistance shall be so depicted.
 - (b) Inspection Schedule.
 - (1) Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in Advisory Circular 150/5380-6, Guidelines and Procedures for Maintenance of Airport Pavements, the frequency of inspections may be extended to three years.
 - (2) Drive-by Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition.
 - (c) Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The types of distress, their locations, and remedial action, scheduled or performed, must be documented. The minimum information to be recorded is listed below.
 - (1) Inspection date
 - (2) Location
 - (3) Distress types
 - (4) Maintenance scheduled or performed

For drive-by inspections, the date of inspection and any maintenance performed must be recorded.
 - (d) Information Retrieval. An airport sponsor may use any form of record keeping it deems appropriate, so long as the information and records produced by the pavement survey can be retrieved to provide a report to the FAA as may be required.
 - (e) Reference. Refer to Advisory Circular 150/5380-6, Guidelines and Procedures for Maintenance of Airport Pavements, for specific guidelines and procedures for maintaining airport pavements and establishing an effective maintenance program. Specific types of distress, their probable causes, inspection guidelines, and recommended methods of repair are presented.
18. **[Special Condition "V", Low Emission Systems. (AIP Handbook Paragraph 585)]** The sponsor agrees to the following under the Voluntary Airport Low Emission (VALE) program:
- (a) Vehicles and equipment purchased with assistance from this grant shall be maintained and used for their useful life at the airport for which they were purchased. Moreover, any vehicles or equipment replaced

under this program shall not be transferred to another airport or location within the same or any other nonattainment or maintenance area. No airport-owned vehicles or equipment may be transferred to, taken to, or used at another airport without the consent of the Federal Aviation Administration in consultation with the United States Environmental Protection Agency and State air quality agency.

- (b) All vehicles and equipment purchased with assistance from this grant shall be clearly labeled using the VALE program emblem designed by the Federal Aviation Administration.
 - (c) The sponsor shall maintain annual reporting records of all vehicles and equipment purchased with assistance from this grant. These public records shall contain detailed information involving individual vehicles and equipment, project expenditures, cost effectiveness, and emission reductions.
 - (d) The sponsor certifies that it shall replace any disabled or seriously damaged vehicle or equipment purchased with assistance from this grant, at any time during its useful life, with an equivalent vehicle or unit that produces an equal or lower level of emissions. The sponsor assumes all financial responsibility for replacement costs. The sponsor also certifies that it shall fulfill this replacement obligation, beyond the useful life of the affected vehicle or equipment, for the possible longer life of Airport Emission Reduction Credits that were granted to the Sponsor for this vehicle or equipment.
19. **Special Condition "W", Acquisition of Noise Land. To be added to any noise land grant for acquisition (does not include noise grants for soundproofing or other noise mitigation projects that do not require acquisition). (No Reference).** The Sponsor hereby agrees that upon completion of the land acquisition in this project, it will prepare a Noise Land Inventory Map and Reuse Plan to standards satisfactory to the Federal Aviation Administration (FAA) and submit said documentation in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Noise Land Inventory Map and Disposal Plan is an eligible administrative cost for participation within the scope of this project.