

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 26-27, 2006

Reference No.: 4.6
Information Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Mary C. Frederick
Acting Division Chief
Aeronautics

Ref: **ANNUAL REVIEW OF THE RATE FOR LOCAL GOVERNMENT MATCHING OF GRANTS FOR CALIFORNIA AID TO AIRPORTS PROGRAM (CAAP)**

ISSUE:

Under state requirements, the California Transportation Commission (Commission) is required to annually establish the rate at which local governments must match Acquisition and Development (A&D) grants from the Aeronautics Program.

The attached draft resolution establishes the matching rate for FY 2006-07 A&D Projects at 10 percent. The California Department of Transportation (Department) will request that the Commission adopt the attached resolution at its June 2006 meeting. Also, the Department will request the Commission's Technical Advisory Committee on Aeronautics (TACA) review this proposal prior to bringing it to the Commission for final approval.

BACKGROUND:

State law (Public Utilities Code Section 21684) requires local sponsors to match A&D grants at a rate between 10 percent and 50 percent of the project cost and requires the Commission to establish the matching rate annually.

In prior years, the Commission has established the matching rate at 10 percent. In 1995, the Commission stated its intention to consider changing the matching rate only at the same time as its biennial adoption of the Aeronautics Program. The Department has developed the 2006 Aeronautics Program using a 10 percent matching rate. Adoption of the 2006 Aeronautics Program is under reference item 4.8.

CALIFORNIA TRANSPORTATION COMMISSION

**Adoption of the Annual Rate for Local Government Matching
of California Aid to Airport Program (CAAP) Grants
for Fiscal Year 2006-07**

Resolution G-06-___

- 1.1 WHEREAS, pursuant to Section 21684 of the Public Utilities Code, the California Transportation Commission (Commission) is charged with the responsibility of establishing the percentage rate of matching funds to be provided by public entities for Acquisition and Development projects under the California Aid to Airports Program (CAAP); and
- 1.2 WHEREAS, a 10 percent matching rate encourages timely use of funds from the Aeronautics Account; and
- 1.3 WHEREAS, a 10 percent matching rate ensures that the maximum number of airport sponsors can participate in the Aeronautics Program; and
- 1.4 WHEREAS, the 2006 Aeronautics Program was submitted with a matching rate of 10 percent.
- 2.1 NOW THEREFORE BE IT RESOLVED, that the Commission hereby establishes the local government matching rate for Fiscal Year 2006-07 for Acquisition and Development projects in the Aeronautics Program at 10 percent of the nonfederal portion of an airport project.