

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 10-11, 2009

Reference No.: 2.7b.
Action Item

From: CINDY McKIM
Chief Financial Officer

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Subject: **FINANCIAL ALLOCATION OF AERONAUTICS SET-ASIDE TO MATCH FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANTS RESOLUTION FDOA-2008-06**

RECOMMENDATION:

The California Department of Transportation (Department) recommends the California Transportation Commission (Commission) approve the attached resolution, allocating \$1,650,000 to the Department for Fiscal Year (FY) 2009-10 to match federal Airport Improvement Program (AIP) grants.

ISSUE:

The 2008 Aeronautics Program included a set-aside of \$1,650,000 to match federal AIP grants. The annual allocation must be authorized before the Department can provide the match amount to the local airports. The attached resolution proposes to renew the delegation for the allocation of state funds to match the federal AIP grants.

BACKGROUND:

In July 2008, the Commission adopted the 2008 Aeronautics Program that included a set-aside of \$1,650,000 to match AIP grants in FY 2009-10. This allocation provides the authority for the Department to subvent matching funds to individual projects as requested by airport sponsors.

The Department provides Commission staff with monthly reports on allocations for AIP Matching funds. The reports show the sponsor name, the airport name, a project description, the AIP grant amount, the state matching amount, and an explanation on any portions of the AIP grant that were not matched. Because the Aeronautics Account is continuously appropriated, any unused remainder of this allocation would be available in FY 2010-11 to fund additional Aeronautics Program projects.

CALIFORNIA TRANSPORTATION COMMISSION

Allocation of Funds to Match Federal Airport Improvement Program (AIP) Grants

Resolution FDOA-2008-06

- 1.1 WHEREAS, pursuant to Section 21683.1 of the Public Utilities Code (PUC), the California Transportation Commission (Commission) is authorized to allocate funds for a portion of the local match for federal Airport Improvement Program (AIP) grants to certain airports; and
- 1.2 WHEREAS, the Commission sponsored the legislation that enacted PUC Section 21683.1 in order to maximize the amount of federal airport funds that can be allocated to California; and
- 1.3 WHEREAS, the Federal Aviation Administration requires that airport sponsors certify that matching funds are available as a condition of accepting a federal grant; and
- 1.4 WHEREAS, on November 8, 2007, the Commission approved the Capital Improvement Program, which is an element of the California Aviation System Plan, and included a list of needed federal airport improvement projects from all funding sources; and
- 1.5 WHEREAS, on July 24, 2008, the Commission adopted the three-year 2008 Aeronautics Program in the amount of \$4,675,213, including a set-aside of \$1,650,000 for AIP matching grants in Fiscal Year 2009-10.
- 2.1 NOW, THEREFORE BE IT RESOLVED, that regarding federal Airport Improvement Program grants made by the Federal Aviation Administration to public entities in this State from July 1, 2009 through June 30, 2010, with the approval of the Department of Transportation (Department), at such time as the federal grant offer is accepted by the public entity applicant, there is allocated to each applicant from the Aeronautics Account, two and one half percent (2.5%) of that portion of the grant whose primary benefit is for general aviation in order to provide a part of the local match for the grant in accordance with the provisions of Public Utilities Code Section 21683.1 (b) until the total of all such allocations equals \$1,650,000; and
- 2.2 BE IT FURTHER RESOLVED, that the Department shall provide Commission staff with monthly status reports on sponsors' matching fund applications that have been approved by the Department.