

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: April 7-8, 2004

Reference No.: 2.7
Action Item

From: ROBERT L. GARCIA
Chief Financial Officer

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Aeronautics

Ref: **AMENDMENT TO FISCAL YEAR 2003-2004 ALLOCATION OF FUNDS TO MATCH
FEDERAL AIRPORT IMPROVEMENT PROGRAM GRANTS
RESOLUTION FDOA-2004-1**

ISSUE

The attached resolution proposes to increase the amount of funds set aside to match the federal Airport Improvement Program (AIP) grants from \$2,200,000 to \$3,600,000 for FY 2003-04.

RECOMMENDATION

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve Resolution FDOA-2004-1, allocating additional funds for the Fiscal Year (FY) 2003-04 to match federal AIP grants.

BACKGROUND

In April 2002, the Commission adopted the 2002 Aeronautics Program, which included a set-aside of \$2,200,000 to match AIP grants in FY 2003-04. This allocation provided the authority for the Department to subvent matching funds to individual projects, which are requested by airport sponsors. The State can provide a match of five percent of an AIP grant as per Section 21683.1 of the Public Utilities Code.

This increase is necessary because projects that were intended to be matched in FY 2002-03 were kept on hold because of the low balance in the Aeronautics Account, due to the transfer of \$6,000,000 to the General Fund. Since the Aeronautics Account is continuously appropriated, additional funds have enabled the processing of all applications up to the allocated amount (\$2,200,000). All other applications are currently on hold until this resolution is approved.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

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

Resolution FDOA-2004-01

- 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 which enacted PUC 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 April 4, 2002, the Commission adopted the three-year 2002 Aeronautics Program in the amount of \$17,963,000 including a set-aside of \$2,200,000 for AIP Matching grants in Fiscal Year 2003-04; and
- 1.5 WHEREAS, on July 12, 2001, the Commission approved the Capital Improvement Program which is an element of the California Aviation System Plan and identifies needed airport improvement projects from all funding sources; and
- 1.6 WHEREAS, airport requests for AIP Matching exceed the allocated amount in Fiscal Year 2003-04 and funds are available to increase the set-aside amount.
- 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, 2003 through June 30, 2004, with the approval of the Department of Transportation, 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, five percent (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, until the total of all such allocations equals \$3,600,000; 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.