

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 12-13, 2004

Reference No.: 4.6
Information Item

From: ROBERT L. GARCIA
Chief Financial Officer

Prepared by: R. Austin Wiswell
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 California Department of Transportation (Department) will present a resolution to adopt the matching rate for Fiscal Year 2004-05 to the Commission at its next meeting. Also, the Department will ask the Commission's Technical Advisory Committee on Aeronautics (TACA) to 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 of 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 2004 Aeronautics Program using a 10 percent matching rate. The Department will present this Program for adoption at the June 2004 meeting.