

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: June 7-8, 2006

Reference No.: 4.7
Action Item

From: CINDY McKIM
Chief Financial Officer

Prepared by: Mary C. Frederick
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Division of Aeronautics

Subject: **ADOPTION OF THE ANNUAL RATE FOR LOCAL GOVERNMENT MATCHING OF CALIFORNIA AID TO AIRPORT PROGRAM (CAAP) GRANTS RESOLUTION G-06-**

RECOMMENDATION:

The Department of Transportation (Department) recommends that the California Transportation Commission (Commission) approve the attached resolution to set the California Aid to Airport Program (CAAP) matching rate at ten percent.

ISSUE:

Under state requirements, the Commission is required to annually establish the rate at which local governments must match CAAP grants for projects programmed in the current Aeronautics Program.

BACKGROUND:

State law (Public Utilities Code Section 21684) requires local sponsors to match Acquisition and Development (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 match rate at ten percent. In 1995, the Commission stated its intention to consider changing the matching rate only at the same time as the biennial adoption of the Aeronautics Program. The Department developed the 2006 Aeronautics Program using a ten percent matching rate. Fiscal year 2006-07 is the first year of the three-year 2006 Program.

The Commission's Technical Advisory Committee on Aeronautics (TACA) reviewed the CAAP matching rate issue by teleconference on April 9, 2006, and expressed its approval for continuing the ten percent rate.

Attachment

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 adopted using 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.