

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: May 14, 2009

Reference No.: 4.6
Information Item

From: CINDY McKIM
Chief Financial Officer

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

SUMMARY:

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 proposes to continue the matching rate for Fiscal Year (FY) 2009-10 A&D projects at ten percent. The California Department of Transportation (Department) will request that the Commission adopt the attached resolution at its June 2009 meeting. The Commission's Technical Advisory Committee on Aeronautics (TACA) will review this proposal and present a recommendation at the Commission's June 2009 meeting.

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. This law also 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 2008 Aeronautics Program that the Commission adopted at the July 2008 meeting was developed using a 10 percent matching rate.

Attachment

DRAFT

CALIFORNIA TRANSPORTATION COMMISSION

**Establishment of Local Government Matching Rate
for Acquisition and Development Grants
for Fiscal Year 2009-10**

Resolution G-09-__

- 1.1 WHEREAS, pursuant to Section 21684 of the Public Utilities Code, the California Transportation Commission is charged with the responsibility of establishing the percentage rate of matching funds to be provided by public entities for Acquisition and Development (A&D) projects under the California Aid to Airports Program (CAAP); and
- 1.2 WHEREAS, a 10 percent matching rate would be compatible with the Federal Aviation Administration's grant program; and
- 1.3 WHEREAS, a 10 percent matching rate encourages timely use of funds from the Aeronautics Account; and
- 1.4 WHEREAS, a 10 percent matching rate ensures that the maximum number of airport sponsors can participate in the Aeronautics Program; and
- 1.5 WHEREAS, the 2008 Aeronautics Program was developed 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 2009-10 for Acquisition and Development projects in the Aeronautics Program at 10 percent of the non-federal portion of an airport project.