

Memorandum

To: CHAIR AND COMMISSIONERS

CTC Meeting: January 31-February 1, 2007

Reference No.: 4.7
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 establishes the matching rate for FY 2007-08 A&D Projects at 10 percent. The California Department of Transportation (Department) will request that the Commission adopt the attached resolution at its March 2007 meeting. The Commission's Technical Advisory Committee on Aeronautics (TACA) will review this proposal and present a recommendation to the Commission.

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 2006 Aeronautics Program that the Commission adopted at the April 2006 meeting was developed using a 10 percent matching rate.

Attachment

CALIFORNIA TRANSPORTATION COMMISSION

**Establishment of Local Government Matching Rate
for Acquisition and Development Grants
for Fiscal Year 2007-08**

Resolution G-07-__

- 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 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 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 2007-08 for Acquisition and Development projects in the Aeronautics Program at 10 percent of the nonfederal portion of an airport project.