



Legislation Text

File #: 18-349, **Version:** 1

Approve a resolution authorizing application to the California Department of Transportation for a State Airport Loan in the amount of \$1,299,277 to construct Aircraft Hangars at the Nut Tree Airport; and Delegate signing authority to the County Administrator to execute the application, agreement, loan modifications for project funding and any other necessary documents associated with the State Airport Loan

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

The Department of General Services recommends that the Board of Supervisors:

1. Approve a resolution authorizing application to the California Department of Transportation for a State Airport Loan in the amount of \$1,299,277 to construct Aircraft Hangars at the Nut Tree Airport; and
2. Delegate signing authority to the County Administrator to execute the application, agreement, loan modifications for project funding and any other necessary documents associated with the State Airport Loan.

SUMMARY:

The General Services Department is recommending the Board approve a resolution authorizing the application to the California Department of Transportation for a State Airport Loan and authorize the County Administrator to execute the loan application and associated loan agreement to secure the Caltrans hangar project loan.

FINANCIAL IMPACT:

The T-Hangar Project is estimated to cost \$1,998,185. The project will also include an optional airport maintenance building estimated at \$270,000, for a total estimated project cost of \$2,643,391. Of the total project cost, \$1,299,277 would be funded by the Caltrans airport loan. Attachment B provides a breakdown of project costs and funding sources.

DISCUSSION:

The Nut Tree Airport T-Hangar Project is currently in the design phase and construction of the project is planned to begin during summer 2018. The hangar project includes 26 T-Hangars that will become County airport rental units. The County has received commitments and deposits on all 26 T-Hangars. An aerial photograph depicting the T-Hangar Project area is included in Attachment C.

A portion of the hangar project will be funded by a repurposed General Fund loan to the airport. The Board repurposed General Fund loan proceeds during the FY2017/18 budget process to support the airport's economic development to fund office building remodels and new aircraft rental hangars. A portion of the hangar project would also be funded by a loan from the State of California Department of Transportation

(Caltrans), through the Division of Aeronautics, Local Airport Loan Program.

Revenue generated by the T-Hangars and office remodels will fund repayments of the General Fund loan to the Airport and repayment of the Caltrans airport loan. Following the project construction bid process, the T-Hangar project will be presented to the Board, in early August 2018 or as soon as feasible, to consider the award of a construction contract and will include construction cost and project financing necessary to support the T-Hangar project. Approvals necessary to advance the office remodel will be presented to the Board as a separate agenda item at a future date yet to be determined.

The purpose of the recommended resolution is to authorize the County Administrator to execute the loan application and associated loan agreement to secure the Caltrans hangar project loan.

ALTERNATIVES:

1. The Board could choose not to approve the resolution authorizing the Caltrans loan application and acceptance. This action is not recommended as completion of the T-Hangar project during the 2018 construction season is dependent on the timely filing, processing and acceptance of the Caltrans loan application and funding.
2. The Board could elect not to delegate signing authority to staff. This action is not recommended since delegated authority will enable efficient filing and management of the Caltrans loan application and funds

OTHER AGENCY INVOLVEMENT:

Coordination has occurred with Caltrans Aeronautics regarding the T-Hangar project. County Counsel reviewed the recommended Resolution.

The Nut Tree Airport Advisory Committee reviewed the project during the Committee's February and April 2018 meetings and recommended approval of the State Airport Loan application.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION