



Legislation Text

File #: 19-369, **Version:** 1

Approve an Appropriations Transfer Request to record receipt of \$2,617,237 in loan proceeds within the Airport Special Aviation Fund and to transfer \$2,617,237 in appropriations from the Airport Special Aviation Fund to the Nut Tree Airport Office Renovation Project and the County T-Hangar Project, for a combined total of \$5,234,474, as a technical adjustment to comply with the loan agreement with Caltrans (4/5 vote required)

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

DEPARTMENTAL RECOMMENDATION:

The Department of General Services recommends that the Board of Supervisors approve an Approve an Appropriations Transfer Request to record receipt of \$2,617,237 in loan proceeds within the Airport Special Aviation Fund and to transfer \$2,617,237 in appropriations from the Airport Special Aviation Fund to the Nut Tree Airport Office Renovation Project and the County T-Hangar Project, for a combined total of \$5,234,474, as a technical adjustment to comply with the loan agreement with Caltrans (4/5 vote required).

SUMMARY:

The Airport Office Renovation Project and County T-Hangar Project were both funded in part through the Caltrans Aeronautics, Local Airport Loan Program. The loan agreements require that the loan funds be deposited and accounted within the Airport's Special Aviation Fund and transfer to the project budgets to fund project expenses; and that the Airport's Special Aviation Fund subsequently be used to account for loan payments.

FINANCIAL IMPACT:

The loan from Caltrans for the T-Hangar Project (BU 9019) was for \$1,857,313. The loan on the Office Renovation Project (BU 9016) was for \$759,924. The loan funds were identified in each of the FY2018/19 project budgets as revenue under Long-Term Debt Proceeds. As a result of the loan agreements requiring the loan proceeds be deposited and accounted within the Airport's Special Aviation Fund (BU 9051), the requested technical adjustment is necessary to record receipt of the loan proceeds within the Airport Special Aviation Fund instead of the project budgets and transfer budget appropriations for same amount from the Airport's Special Aviation Fund to each project budget to fund project expenses. There will be no impact to the Airport budget as a result of the requested technical adjustment.

The costs associated with preparing the agenda item are nominal and absorbed by the department's FY2018/19 Adopted Budget.

DISCUSSION:

Construction of the Airport Office Renovation Project is underway and on schedule for completion by August 1, 2019. Construction of the T-Hangar Project was completed April 1, 2019 and included 26 new County rental hangars. The T-Hangar project resulted in the relocation of nine current tenants from a dilapidated hangar building and the addition of 17 new aircraft based at the Nut Tree Airport. Both projects represent County economic development at the Airport and will generate additional short and long-term revenue for operation

and improvement of the Airport. Both projects are consistent with the goals and implementing actions of the Nut Tree Airport Master and the Airport Business Plan to accommodate demand for aircraft storage space and provide flight school expansion space.

ALTERNATIVES:

The Board could choose not to approve the requested technical adjustment. This action is not recommended as the requested adjustment is required by the Caltrans loan agreement for each of the referenced projects.

OTHER AGENCY INVOLVEMENT:

The requested action was coordinated with staff from the County Auditor-Controller's office and the office of the County Administrator.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION