



County of Santa Clara
Roads & Airports Department
Airport Operations

RA06 032205

Prepared by: Carl Honaker
Director, County Airports

DATE: March 22, 2005

TO: Board of Supervisors

FROM: *M. J. Murdter*
Michael Murdter
Director, Roads & Airports Department

SUBJECT: Federal Aviation Administration (FAA) Airport Improvement Program (AIP)
Grant Applications for the County Airports

RECOMMENDED ACTION

Consider recommendations relating to FAA Airport Improvement Program (AIP) grants for Reid-Hillview Airport, Palo Alto Airport and South County Airport.

Possible Actions:

- a. Authorize the Director, Roads & Airports Department to submit an AIP grant application to the FAA in the amount of \$47,500 for a Runway and Taxiway Signage and Marking Modification project at Reid-Hillview Airport.

b.

Processor name: Sonjay Moorjany

Item Number: 02

- Authorize the Director, Roads & Airports Department to submit an AIP grant application to the FAA in the amount of \$380,000 to prepare the environmental document related to the draft Reid–Hillview Airport Master Plan and \$190,000 for conceptual engineering and supplemental analyses related to measures identified in the airport's Noise Compatibility Program.
- c. Authorize the Director, Roads & Airports Department to submit an AIP grant application to the FAA in the amount of \$118,750 to install an Automatic Weather Observation System (AWOS) at Reid–Hillview Airport.
 - d. Authorize the Director, Roads & Airports Department to prepare an AIP grant application in the amount of \$133,000 for consideration and potential submission to the FAA by the City of Palo Alto for installation of an Automated Weather Observation System and a Pilot–Controlled Lighting System at Palo Alto Airport.
 - e. Authorize the Director, Roads & Airports Department to prepare a AIP grant application in the amount of \$1,140,000 for consideration and potential submission to the FAA by the City of Palo Alto for security fencing and an access control system at Palo Alto Airport.
 - f. Authorize the Director, Roads & Airports Department to submit an AIP grant application to the FAA in the amount of \$104,500 to remove obstructions to navigation at the South County Airport.
 - g. Authorize the Director, Roads & Airports Department to submit an AIP grant application to the FAA in the amount of \$570,000 to prepare the environmental document related to the draft South County Airport Master Plan.
 - h. Authorize the Director, Roads & Airports Department to submit grant applications to the California Department of Transportation (Caltrans) for state matching funds upon receiving FAA AIP grant offers for any of the above applications.
 - i. Proposer Name: Sonjay Moorjani
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Authorize the County Executive to accept initial and supplemental grant offers and execute grant agreements with the FAA and Caltrans related to any of the above applications following approval by County Counsel as to form and legality.

FISCAL IMPLICATIONS

There is no fiscal impact to the County General Fund. The total estimated project costs for all AIP grant applications is \$2,825,000, of which 95% (\$2,683,750) would be funded by the AIP grants, 4.5% (\$127,125) by state matching funds and the remaining 0.5% (\$14,125) local match by the Airport Enterprise Funds (AEF).

CONTRACT HISTORY

None.

REASONS FOR RECOMMENDATION

The Airport Improvement Program (AIP) provides federal funding for airport planning, safety, security, repair, development and noise compatibility projects. The Aviation Investment and Reform Act ("AIR-100") enacted in December 2003 included AIP funding for federal FY 04 through FY 08. Each spring, the Department identifies candidate AIP projects for consideration by the Board. The following projects at the three County airports are eligible for FY 05 federal and state funding:

1. Signage and Marking Modification for Reid-Hillview Airport runways and taxiways (\$50,000) – Airport signage and markings at Reid-Hillview Airport were identified as requiring upgrades as part of a recent inspection by the FAA's Runway Safety Advisory Team (RSAT). This project will ensure that the airport complies with current FAA guidelines.
2. Prepare Environmental Document Related to the Draft Reid Hillview Airport Master Plan (\$400,000) and Supplemental Analyses Related to the Noise Compatibility Program (\$200,000) – The draft Reid Hillview Airport Master Plan is nearing completion and the next step in the master planning process is preparation of the

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appropriate environmental document.

As part of the FAA's recent Record of Approval (ROA) for the Noise Compatibility Program, certain physical measures such as the installation of a noise barrier were authorized to proceed to the conceptual engineering phase. For other measures such as revision of the Quiet One departure procedure and voluntary limitations on touch-and-goes and night time operations, additional information is being required in order for those measures to be reconsidered for approval. The proposed grant would provide the funding to perform the conceptual engineering as well as the supplemental analyses specified by the FAA.

The previously submitted grant application for installation of an Aircraft Noise and Flight Track Monitoring System (ANFTMS) at Reid-Hillview Airport will be automatically reconsidered for funding in the current fiscal year. The ROA identified this project as an approved noise mitigation measure for the airport.

3. Automated Weather Observation System (AWOS) at Reid-Hillview Airport (\$125,000) – Install an AWOS to provide real-time airport weather data to pilots flying to/from Reid-Hillview Airport.
4. Automated Weather Observation System (AWOS) and Pilot Controlled Lighting System at Palo Alto Airport (\$140,000) – Install an AWOS to provide real-time airport weather data to pilots flying to/from Palo Alto County Airport; install a Pilot-Controlled Lighting System to reduce energy costs for airport lighting (this system allows pilots to turn on the airport lighting by radio when needed thereby precluding the need to leave the airfield lighting on all night).

This grant application will be developed for the City of Palo Alto's consideration and potential submission to the FAA because the grant assurances will remain in force until 2025, which is beyond the expiration of the lease between the City and the County in April 2017. Previously, the County did not involve the City in the grant application process because the grant assurances would have expired prior to the expiration of the 50-year lease (the City, as the property owner, became involved during project implementation).

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With respect to the current grant application, the grant assurances relating to implementation of the project itself (prevailing wages, inspection, record keeping, environmental compliance, etc.) will have been met by the County prior to expiration of the lease but others, such as the requirement to keep the airport open and the prohibition on exporting airport revenue, will remain operative for the entire 20-year life of the grant assurances. Since the City will assume responsibility for these grant assurances after expiration of the lease, it is essential that it concur with the submission and acceptance of the grant.

The Department has previously attempted to secure the City's concurrence with proposed grant applications by requesting that the City simply provide a letter of concurrence. In the case of the most recent AIP grant application for Palo Alto Airport in 2003, the City's response to the County's request for a letter of concurrence indicated that it concurred with the County's acceptance of the grant, but with the "understanding that the obligations of the FAA grant would not automatically pass to the City or another lessee" upon expiration of the City's lease with the County (letters attached for ease of reference). In order to eliminate any uncertainty regarding responsibility for the grant assurances after expiration of the lease, the Department recommends that all grant applications be presented to the City for its consideration and submission directly to the FAA if deemed appropriate.

5. Airport Security Systems, Fencing and Gates at Palo Alto Airport (\$1,200,000) – Install new access control systems, security cameras, fencing and gating to improve physical security at Palo Alto Airport. This grant application will be developed for the City of Palo Alto's submission to the FAA as discussed in Section 5 above.
6. Remove Obstructions to Navigation at South County Airport (\$110,000) – Safety inspections of South County Airport by the FAA and Caltrans Aeronautics identified a row of trees between US 101 and the runway that has grown tall enough to penetrate one of the airport's FAA safety surfaces. In order to comply with federal and state guidelines, the trees will have to be removed and replaced with landscaping that will not grow tall enough to penetrate this safety zone.

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Prepare Environmental Document Related to the Draft South County Airport Master Plan (\$600,000) – The draft South County Airport Master Plan is nearing completion and the next step in the master planning process is preparation of the appropriate environmental document.

Acceptance of grant offers will obligate the County (and the City of Palo Alto for projects related to that airport) to accomplish the described projects and adhere to the terms, conditions and assurances contained in the grant agreement for a period not to exceed 20 years. Should the County (or City) fail to comply, a pro-rata return of grant monies may be required. Attachment 1, Paragraph C lists 37 grant assurances covering a wide variety of subject matter including Operation & Maintenance (No. 19), Compatible Land Use (No. 21), Economic Nondiscrimination (No. 22), Exclusive Rights (No. 23), Fee and Rental Structure (No. 24), Airport Revenues (No. 25), Airport Layout Plan (No. 29) and Disposal of Land (No. 31).

The County last accepted AIP grant funding for Reid–Hillview, South County and Palo Alto airports in September 2003; the related grant assurances expire in September 2023. Therefore, the recommended grant applications, if approved by the FAA, would extend the County's (and the City's) obligations for the three airports until 2025.

BACKGROUND

In the 1999 – 2000 timeframe, in conjunction with the management audit of the airports and the formulation of principles to guide the airport master planning process, the Board of Supervisors formally adopted the following longstanding de facto policy with respect to the airports' finances:

"The Airport Enterprise Fund should be self-sustaining without subsidy from the General Fund. Revenue from fees and charges, state and federal grants and other sources should be sufficient to fund operating and maintenance costs, capital improvements and an appropriate level of reserves."

Federal grants and state matching funds are a key element of maintaining the AEF's self-sufficiency as required by Board policy. Capital projects at all three airports are funded on a pay-as-you-go basis using primarily federal and state grants unless ineligible for grant

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funding (e.g. South County Airport Hangar Project).

CONSEQUENCES OF NEGATIVE ACTION

The County will not apply for federal AIP grant funds or state matching funds and the various airport projects identified in the grant applications will be deferred.

STEPS FOLLOWING APPROVAL

1. Send KEYBOARD notification of completed processing to:
Carl Honaker, Roads & Airports Dept.

ATTACHMENTS

- Grant Assurances
- 2003 Palo Alto Airport AIP Grant Application Correspondence

Meeting Date March 22, 2005
Project of note San Jose Airport
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