



City of Palo Alto

City Council Staff Report

(ID # 5890)

Report Type: Consent Calendar

Meeting Date: 6/29/2015

Council Priority: Land Use and Transportation Planning

Summary Title: Resolution Authorizing the City Manager to Execute Future FAA and DOT Grants

Title: Adoption of a Resolution Authorizing the City Manager to Execute Future Grant Agreements Offered to the City by the Federal Aviation Administration (FAA) and/or the California Department of Transportation (DOT) for the Preparation of Planning Documents and the Study, Design and Construction of Safety, Security and Maintenance Improvements at the Palo Alto Airport and Authorizing the City Manager to Execute Supporting Documents Associated with the Application and Acceptance of Said Grant Funds

From: City Manager

Lead Department: Public Works

Recommendation

Adopt a resolution authorizing the City Manager to execute in the future one or more grant agreements offered to the City by the Federal Aviation Administration (FAA) and the California Department of Transportation (DOT) to be used for the preparation of planning documents and the study, design and construction of safety, security and maintenance improvements at the Palo Alto Airport with the understanding that the City Manager is authorized to apply for the maximum of FAA and DOT funds available, subject to the review and recommendation of the Director of Public Works and City Office of Management and Budget; and authorizing the City Manager to execute any other documents associated with the application and acceptance of grant funds from the Federal Aviation Administration and California Department of Transportation.

Background

The Council has authorized a similar agreement with the FAA on August 18, 2014 that provided for federal funding to finance improvements at the Palo Alto Airport. Public Works will submit one or more applications to the FAA requesting funding for eligible projects at the Palo Alto Airport including but not limited to the preparation of planning documents and the study, design and construction of safety, security and airport infrastructure improvement projects. The FAA will make airport improvement grants available to local airport sponsors for ninety percent (90%) of the total costs of eligible projects. The DOT also provides funding to finance improvements at the Palo Alto Airport and currently provides State matching grants equivalent to two and one-half percent (2.5%) of the FAA grants, which is equivalent to two and one-quarter percent (2.25%) of the projects' total costs.

The FAA requires that the City, as a condition of receiving these grant funds, enter into a grant agreement which establishes the conditions governing the use of the grant funds and the obligations for the City to operate the airport in compliance with FAA requirements.

Discussion

Changes in the way the FAA is now awarding airport improvement grants requires that the City must be able to execute and return the grant agreements to the FAA within very tight timelines in order to qualify for the grant funds; at times this could occur within days of receiving the grant offer. To ensure the City is able to accept the maximum of FAA and State DOT grant funds available, staff is recommending that the Council authorize the City Manager to execute future airport improvement grant agreements offered by the FAA and DOT for the Palo Alto Airport, and to sign any other documents associated with the application and acceptance of said grant funds from the FAA and DOT. Grants accepted by the City Manager do not obligate the City for the City's share of funding. All new projects and contract awards would be brought to Council for funding approval. If the Council denied approval, the grant funding would then be returned to the awarding agency with a letter of explanation of why the grant will not be executed. These grants are the main source of funding for maintenance activities for the Palo Alto Airport.

Resource Impact

Staff will bring forward to Council for approval all new projects not previously funded and approved as included in the FY 2016 Capital Improvement Program for the Airport Enterprise Fund or in any subsequent year.

FAA and DOT grant funds are received on a reimbursable basis. The Airport Enterprise Fund will ensure that it has sufficient funds available to manage the cash flow requirements of projects while grant reimbursements are being requested of the FAA and DOT.

Policy Implications

This grant program is consistent with two of the City Council's 2014 top 3 priorities: 1) Comprehensive planning and action on land use and transportation; and 2) Infrastructure Strategy and Funding.

Environmental Review

City will conform to state and federal statutes, regulations, and procedures, as required by the National Environmental Protection Act (NEPA) and/or the California Environmental Quality Act (CEQA).

Attachments:

- A - 00710635 RESO FAA Grant Agreement for PAO Planning Documentation (PDF)

NOT YET APPROVED

RESOLUTION NO.

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALO ALTO
AUTHORIZING THE CITY MANAGER TO EXECUTE GRANT AGREEMENTS OFFERED TO
THE CITY OF PALO ALTO BY THE FEDERAL AVIATION ADMINISTRATION AND THE
CALIFORNIA DEPARTMENT OF TRANSPORTATION TO BE USED FOR THE PREPARATION
OF PLANNING DOCUMENTS AND THE STUDY, DESIGN AND CONSTRUCTION OF
SAFETY, SECURITY AND MAINTENANCE IMPROVEMENTS FOR THE PALO ALTO
AIRPORT; AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO EXECUTE, ON
BEHALF OF THE CITY, ANY OTHER DOCUMENTS ASSOCIATED WITH THE APPLICATION
AND ACCEPTANCE OF GRANT FUNDS FROM THE FEDERAL AVIATION ADMINISTRATION
AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION; AND CERTIFYING THAT
THE AIRPORT ENTERPRISE FUND HAS SUFFICIENT LOCAL MATCHING FUNDS TO
FINANCE ONE HUNDRED PERCENT (100%) OF THE FEDERAL AVIATION
ADMINISTRATION AND CALIFORNIA DEPARTMENT OF TRANSPORTATION GRANT
FUNDED PROJECTS**

RECITALS

- A. The Federal Aviation Administration (the "FAA") makes airport improvement grants available to local airport sponsors for approximately nine-five percent (95%) of the total costs for the preparation of planning documents and the study, design and construction of eligible safety, security and maintenance projects.
- B. The FAA requires the City as a condition of receiving these grant funds to enter into a grant agreement which provides the conditions governing the use of said grant funds and the obligations for the City to comply with the FAA's grant assurances.
- C. The California Department of Transportation ("DOT"), pursuant to Public Utilities Code Section 21683.1, is authorized to provide Airport Improvement Program ("AIP") matching grants of up to five percent (5%) of FAA grant amounts.
- D. The DOT pursuant to the Public Utilities Code and California Aid to Airports Program is authorized to provide Acquisition and Development ("A&D") grants to local airport sponsors for approximately ninety percent (90%) of the project costs for eligible planning, environmental and capital improvement projects.
- E. The DOT requires a local agency, as a condition of receiving these AIP matching grant and A&D grant funds, to adopt a resolution authorizing the submittal of an application and the execution of grant agreement for the acceptance of said grant funds and to certify the availability of the local matching funds for A&D grants.

NOT YET APPROVED

F. The Council wishes to authorize the City to receive the maximum of available FAA and DOT grants to be used for the preparation of planning documents and the study, design and construction of eligible safety, security and maintenance projects for the Palo Alto Airport.

G. The Council has recommended that grant agreements offered to the City by the FAA and DOT for the Palo Alto Airport be executed by the City Manager or his designee on behalf of the City.

H. This Council has considered the recommendation of the City Manager.

NOW, THEREFORE, the Council of the City of Palo Alto does hereby RESOLVE, as follows:

SECTION 1. Authorizes the City Manager to execute grant agreements offered to the City by the Federal Aviation Administration and the California Department of Transportation to be used for the preparation of planning documents and the study, design and construction of safety, security and maintenance improvements for Palo Alto Airport; and.

SECTION 2. Authorizes the City Manager or his designee to execute on behalf of the City any other documents associated with the application and acceptance of the grant funds from the Federal Aviation Administration and the California Department of Transportation.

SECTION 3. Certifies that the Airport Enterprise Fund has sufficient local matching funds to finance one hundred percent (100%) of the Federal Aviation Administration and California Department of Transportation grant funded projects.

SECTION 4. The Council finds that the adoption of this resolution does not constitute a 'project' under Section 21065 of the California Public Resources Code and

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NOT YET APPROVED

Sections 15378(b)(4) and 9b)(5) of the California Environmental Quality Act (CEQA) and the CEQA Guidelines, and therefore, no environmental assessment is required.

INTRODUCED AND PASSED:

AYES:

NOES:

ABSENT:

ABSTENTIONS:

ATTEST:

City Clerk

Mayor

APPROVED AS TO FORM:

APPROVED:

Senior Assistant City Attorney

City Manager

APPROVED:

Director of Public Works