



County of El Dorado

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Legislation Text

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Transportation Department recommending the Board provide direction on whether to make a General Fund contribution for the construction of a water line and installation of fire hydrants that would allow for future expansion at the Placerville Airport. The estimated project cost is \$172,000 and will be included in the 2013 Airport Capital Improvement Program and the Fiscal Year 13/14 Budget based on Board direction. (Est. Time: 15 Min.)

FUNDING: General Fund.

BUDGET SUMMARY:	
Total Estimated Cost.....	\$ 172,000
Funding.....	
Budgeted.....	
New Funding.....	
Savings.....	
Other	
Total Funding Available.....	\$ 0
Change To Net County Cost.....	\$ 172,000

Fiscal Impact/Change to Net County Cost

If the Board direction is to fund this project, then the project will be included in the FY 13/14 budget and the 2013 Airport Capital Improvement Program. There is an impact of \$172,000 to the General Fund.

Background

The 2012 Airport Capital Improvement Program (ACIP) was adopted by the Board on June 19, 2012. A future project included in the ACIP is the development of the northeast area of the Placerville Airport to include the placement of thirteen nested Tee Hangars. A precursor to this project is the construction of a water line and installation of three fire hydrants to provide necessary fire protection to the proposed development site.

The Federal Aviation Administration (FAA) requires that all security/safety projects be completed before funding would be considered for any expansion projects. There are currently two additional security/safety projects at the Placerville Airport and two at the Georgetown Airport that must be completed. These projects are scheduled for completion by FY 15/16. In addition, due to current

budgetary constraints the FAA has advised the County that funding for revenue generating projects will not be available until FY17/18. The FAA has also indicated they will not fund the construction of the water line.

Reason for Recommendation

The construction of new hangars at the Placerville Airport will promote economic development by providing property tax revenue for the County, increased lease revenues and economic development activity at the airport. Construction of the waterline and installation of the fire hydrants sooner would allow the Department to explore options and alternatives for the development of the site and construction of additional hangars.

The current Airport Master Plan calls for the County to construct and manage the additional nested Tee Hangars. The County would be responsible for the up-front costs of construction, the ongoing maintenance of the hangars, and the administrative costs of managing the leases. This plan, compared to the alternatives listed below, involves the largest commitment of County funds and resources and requires the longest period to realize a return based upon the current lease rates. In addition, construction of the hangars would be beyond the five year CIP, currently projected for FY 19/20, further delaying any return.

Alternatives:

Partial development by County - completion of grading, construction of roads and hangar pads, with private individuals installing portable hangars. Federal funding and County Accumulated Capital Outlay Fund could be used to complete this construction in FY 17/18. Based upon current lease amounts and private installation of all thirteen single Tee Hangars, annual revenue would be \$10,176.

Privatizing the development and construction of hangars - would provide the opportunity for a developer to construct Tee Hangers or some other configuration based upon the County's desires. This would push the risk onto the developer who would be responsible for payment of land leases, maintenance of facilities, and administration of tenant leases. Lease amounts would be negotiable with revenues based upon the construction configuration.

Public/private partnership - the development itself could be designed to encourage a combination of hangars and commercial facilities to attract business creation and expansion, with possible Federal, State, or local grant and/or loan funding as well as private investments. Again, lease amounts would be negotiable and revenues would be determined by the constructed facilities.

The Department could also work with both the County's Economic Development Advisory Committee (EDAC) and the Placerville Airport Advisory Committee (PAAC) to develop and analyze alternatives and return to the Board to present the most viable option.

Action(s) to be taken following Board approval

If approved, the Department would update the ACIP to reflect the General Fund contribution, include the funding and project costs for the construction of the water line and fire hydrants in the FY 13/14 budget, work with the EDAC and PAAC to explore and analyze alternatives, and return to the Board with a recommended option.

Contact:

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Concurrences:

N/A