



CITY OF SACRAMENTO

CITY PLANNING DEPARTMENT

725 "J" STREET

SACRAMENTO, CALIF. 95814
TELEPHONE (916) 449-5604

MARTY VAN DUYN
PLANNING DIRECTOR

November 12, 1980

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: Funding for Phases 1 and 2 of the Reliever Airport Study (M-393)

SUMMARY

The City Council has a prior agreement with Sacramento County to share in the costs of conducting the Reliever Airport Study. Initially, the program was expected to cost \$75,000, with the City's share being \$7,286.25. Due to increased costs and decreased FAA grant funds, the City Council is now being asked to encumber \$16,803 for the City's share of the first two phases. This matter will be considered by the Budget and Finance Committee on November 18, 1980. Staff recommends approval.

BACKGROUND INFORMATION

The County Department of Airports is currently seeking to implement Recommendation 3 of the Executive Airport Master Plan which calls for the preparation of a reliever airport study. The purpose of this project is to identify and evaluate alternative means of accommodating future increases in general aviation in the Sacramento area. It may include recommendations for such potential actions as construction of a new general aviation airport, expansion of existing airports within the area (other than Executive Airport), and/or initiation of joint use at one of the nearby military facilities.

This study was intended, from the outset, to be a joint City-County activity. As such, the Council previously authorized by resolution (August 16, 1979), the City's financial participation in the study to the extent of \$7,286.25 (\$4,857.74 in cash and \$2,428.51 for staff in-kind services). This amount was essentially one-half of the local funds to match an FAA grant.

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NOV 18 1980

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Substantial changes have occurred recently regarding the financial aspects of this project. It was originally contemplated that FAA grant money would be available for 80.57% of a \$75,000 program. This was later revised to a 90% FAA grant and a total project cost of \$80,000. The cost has now risen to \$92,780 for consultant services alone (i.e., not including costs involved in public notices and other publicity, printing, postage, or City/County staff time). This cost is likely to rise even further, due to inflation, if the contracts with the two consultants are not consummated quite soon.

Furthermore, the FAA has approved a grant of only \$25,000 for just the first of four project phases. This amounts to 87.4% of the Phase 1 project cost, with the remaining \$3,606 to be shared by the City and the County. The timing for the funding for the rest of the project will remain in question until Congress passes the pending airport appropriations bill, but it is likely that most, if not all, of the 90% grant will be financed by the FAA at some point in the future.

The question facing the City and the County at this point is whether to: 1) undertake only Phase 1 and then discontinue the project until more FAA funds are available; 2) delay the project until all funds are available; or 3) fund Phase 2 with local money and determine the extent of local funding for Phases 3 and 4 towards the end of this fiscal year when the status of the FAA grant is clearer. The Reliever Airport Committee favors the last alternative (fund Phase 2 locally). This was also the concensus at a meeting involving various City and County representatives held on November 6th.

The fiscal implications to the City of this latter alternative (assuming a 50% share of the local costs; a starting date of January 1, 1981; adherence to the project schedule; and completion of approximately 70% of Phase 2 by June 30, 1981) would be a current City contribution of \$16,803, as determined from the following:

| | <u>Total Project Cost</u> | <u>FAA</u> | <u>Total Local Cost</u> | <u>Current City Share</u> |
|---------|---------------------------|--------------------|-------------------------|---------------------------|
| Phase 1 | \$28,606 | \$25,000 | \$ 3,606 | \$ 1,803 |
| Phase 2 | \$43,393 | - | \$43,393 | \$15,000* |
| Phase 3 | \$12,293 | (to be determined) | | |
| Phase 4 | \$ 8,488 | (to be determined) | | |
| | <u>\$92,780</u> | <u>\$25,000+</u> | <u>\$46,996+</u> | <u>\$16,803</u> |

*70% of the City's 1/2 share (cost for Phase 2 work done prior to July 1, 1981)

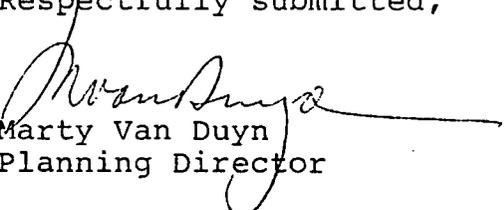
The necessary funds would be transferred from the Administrative Contingency Fund to the Planning Department Operating Budget (consultant fund). The money would later be disbursed to the County as the consultant's work increments are completed.

The proposal to fund the City's half of the matching funds for Phase 1 and 70% of one-half of the Phase 2 cost appears to staff to be quite advantageous when compared to the other two alternatives. By undertaking the project now, the City and the County will avoid escalating consultant costs from either a total delay, or from having to restart the project after a time-lapse between Phase 1 and 2. Furthermore, it will insure the continued availability of the chosen consultants. Lastly, it will enable the City and the County to commence a badly needed study as soon as possible, which may avoid the eventual foreclosure of future alternatives should more delay occur. This expenditure of the additional funds now should prove quite cost-effective when compared with the anticipated results of the other alternatives.

RECOMMENDATION

The staff recommends that the City Council adopt the attached resolution, authorizing transfer of \$16,803 from the Administrative Contingency Fund to the Planning Department Operating Budget in order to proceed with the Reliever Airport Study.

Respectfully submitted,


Marty Van Duyn
Planning Director

RECOMMENDATION APPROVED:


Walter J. Slipe, City Manager

MVD:AAP:jm
Attachment
M-393

November 18, 1980
District No. 7

RESOLUTION NO. 80-769

Adopted by The Sacramento City Council on date of

NOVEMBER 18, 1980

**RESOLUTION AMENDING THE CITY BUDGET
FOR FISCAL YEAR 1980-81 FOR THE
RELIEVER AIRPORT STUDY (M-393)**

WHEREAS, the Council of the City of Sacramento has previously approved the City's participation in the Reliever Airport Study, pursuant to Recommendation 3 of the Executive Airport Master Plan; and

WHEREAS, the City Council has agreed to share the local costs of undertaking said study with the County of Sacramento; and

WHEREAS, an expenditure of \$16,803 by the City to finance its one-half share of the local costs for Phase 1 and Phase 2 work (to be completed between January 1, 1981 and June 30, 1981) is necessary in order to prevent substantial delay to the Reliever Airport Study;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO that the City Budget for Fiscal Year 1980-81 is hereby amended by transferring \$16,803 from the Administrative Contingency Budget 1-01-5070-000-4399 to the Planning Department Operating Budget 1-01-2300-000-4258 for the purpose stated above.

MAYOR

ATTEST:

CITY CLERK

M-393

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