

TO: James L. App, City Manager

FROM: Doug Monn, Public Works Director

SUBJECT: State Loan Repayment – Airport Fuel Facility Loan

DATE: October 1, 2013

NEEDS: For the City Council to approve a resolution confirming the specific terms of a Revenue-Generating Loan from the State of California, Division of Aeronautics, for the Airport fuel facility replacement project.

FACTS:

1. On July 16, 2013, the City Council took action to approve the Airport Advisory Committee recommendation to (1.) replace, rather than upgrade the existing airport fuel facility, and (2.) approve a location for the facility and (3.) authorize staff to seek funding from the State Aeronautics loan program;
2. The City has received a favorable response from the State regarding the loan approval in the amount of \$600,000.00 for a term of 17 years at an annual interest rate of 4.279%
3. In order to complete the loan process, the State requires a specific resolution from the City confirming its agreement and acceptance of the loan terms.
4. Upon approval the City will be able to close its loan application process and receive the loan funding.
5. The requested resolution also identifies the funding source – airport fuel flowage fee revenues – and appropriates the loan payment amount, annually, for the term of the loan.

ANALYSIS
AND

CONCLUSION: As previously determined by the City Council, the fuel facility is essential and the proposed replacement project must be continued. The action requested here merely confirms the specific actions taken by the City to assure the project is adequately funded and the loan to the State will be repaid.

FISCAL
IMPACT:

The final loan amount, \$600,000.00 will be repaid from the airport fuel flowage fees, specifically dedicated up to the annual payment amount, which estimated to be \$49,750.00, for the seventeen (17)-year term of the loan.

OPTIONS:

- a. Adopt Resolution 13-XX, appropriating airport funds for the repayment of a State Aeronautics loan for the airport fuel facility.
- b. Amend, modify, or reject the above option.

Attachment:
1. Resolution

RESOLUTION NO. 13-xxx

A RESOLUTION OF THE CITY COUNCIL OF PASO ROBLES
APPROPRIATING AIRPORT FUNDS FOR THE REPAYMENT OF A
STATE AERONAUTICS LOAN FOR THE AIRPORT FUEL FACILITY

WHEREAS, on July 16, 2013, The City Council took action to approve the Airport Advisory Committee recommendation to:

- (1.) Replace, rather than upgrade the existing airport fuel facility.
- (2.) Approve a location for the facility.
- (3.) Authorize staff to seek funding from the State Aeronautics loan program.

WHEREAS, the City has received a favorable response from the State with regard to loan approval in the amount of \$600,000.00 for a term of 17 years at an annual interest rate of 4.279%; and

WHEREAS, the State requires conformation of a specific Council action committing to repayment of the Cal Trans loan from airport funds.

NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of El Paso de Robles does hereby authorize the appropriation of the required loan repayment amount from Airport Enterprise Fund 602, Fuel Flowage Fees in an amount not to exceed \$50,000 per year (Estimated payment amount is \$49,750.00), for the term of the loan.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of October 2013 by the following votes:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk