



COUNTY OF HUMBOLDT

AGENDA ITEM NO.

C7

For the meeting of: November 14, 2017

Date: October 31, 2017

To: Board of Supervisors

From: Amy S. Nilsen, County Administrative Officer

Subject: Aviation Gap Funding Needed to Complete the Humboldt County Airport Rescue and Fire Fighting Facility Building Project

RECOMMENDATIONS:

That the Board of Supervisors:

1. Ratify, in accordance with the 2016 Finance Plan, the withdrawal of \$314,266 to secure the Aviation Gap Funding needed to complete the Humboldt County Airport Rescue and Fire Fighting Facility Building Project; and
2. Authorize the County Administrative Officer to fund capital improvement projects in accordance with the 2016 Finance Plan, on an as-needed basis, without further action of the Board.

SOURCE OF FUNDING:

Aviation Enterprise Fund (3530) through Passenger Facility Charges.

DISCUSSION:

Your Board has approved financing for capital improvement projects to resolve deferred maintenance issues and for specific new construction of county facilities. On April 19, 2016, your Board authorized the financing of certain capital improvement projects that were previously approved on January 19, 2016.

Prepared by Chris Shaver

CAO Approval

Karen Clower

REVIEW: Auditor Kpd County Counsel Sm Personnel _____ Risk Manager _____ Other _____

TYPE OF ITEM:
☒ Consent
☐ Departmental
☐ Public Hearing
☐ Other _____

PREVIOUS ACTION/REFERRAL:

Board Order No. D-15, C-28

Meeting of: 4/19/16, 10/17/17

BOARD OF SUPERVISORS, COUNTY OF HUMBOLDT
Upon motion of Supervisor Fennell Seconded by Supervisor Wilson

Ayes Sundberg, Fennell, Bass, Bohn, Wilson
Nays _____
Abstain _____
Absent _____

and carried by those members present, the Board hereby approves the recommended action contained in this Board report.

Dated: 11/14/17

By: _____

1 Kathy Hayes, Clerk of the Board

On October 17, 2017, your Board approved an agreement with Danco Builders Northwest in the amount of \$5,949,249 for construction of the Humboldt County Airport Rescue and Fire Fighting Facility Building Project ("Project") and a consultant services agreement in the amount of \$331,250 with The KPA Group. The Federal Aviation Administration will provide a majority of the funding needed to complete the Project. The county will provide a balancing percentage of matching funds that will be financed through the county's Aviation Enterprise Fund and repaid through future Passenger Facility Charges (PFCs). However, it was recently discovered Aviation Gap Funding in the amount of \$314,266 would be needed to meet the county's funding requirements for the Project until the PFCs are received and the actual revenue recorded.

The Aviation Gap Funding in question was mentioned in the October 17, 2017, agenda item but not a Board recommendation with a resulting action to add it to the 2016 Financing Plan. However, the additional \$314,266 needed to finance the Project is within the allowable amounts specified for collateral and maximum lease rental amounts with the Humboldt County Public Property Leasing Corporation; and therefore, will not require any changes to the financing documents that have already been approved.

Accordingly, staff recommends that your Board ratify, in accordance with the 2016 Financing Plan, the withdrawal of \$314,266 to secure the Aviation Gap Funding needed to complete the Project. Staff also recommends that your Board authorize the County Administrative Officer ("CAO") to fund capital improvement projects in accordance with the 2016 Financing Plan, on an as-needed basis, in order to increase the efficiency and effectiveness of county operations.

OTHER AGENCY INVOLVEMENT:

Humboldt County Public Property Leasing Corporation.

FINANCIAL IMPACT:

The matching funds amounting to \$314,266 will be drawn from the 2016 Finance Plan which is interim financing to be done through the county Investment Pool as approved in the Investment Policy revision dated April 12, 2016. Additionally, future PFCs will be used to pay the county pool back of all principal and interest obligations associated with this financing.

The recommended actions support the Board of Supervisors' Strategic Framework Core Role of providing for and maintaining county infrastructure.

ALTERNATIVES TO STAFF RECOMMENDATIONS:

Your Board may decide not to ratify the withdrawal of \$314,266 to secure the Aviation Gap Funding needed to complete the Humboldt County Airport Rescue and Fire Fighting Facility Building Project. This alternative is not recommended because it could delay the Project. In addition, all other debt issuance options to secure the required Aviation Gap Funding would not be as cost effective as those currently available through the 2016 Financing Plan.

Your Board could also decide not to authorize the CAO to fund capital improvement projects in accordance with the 2016 Financing Plan without further action from the Board. This alternative is not recommended as it would create inefficiencies in county operations.

ATTACHMENTS: N/A