



COUNTY OF SAN MATEO
Inter-Departmental Correspondence
Public Works



Date: May 17, 2016
Board Meeting Date: June 21, 2016
Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors
From: James C. Porter, Director of Public Works
Subject: Agreement for a General Fund Loan to finance the Construction of T-Hangar buildings and related improvements at the San Carlos Airport

RECOMMENDATION:

Adopt a resolution authorizing the County Manager or his designee to execute an agreement for a General Fund loan to the Airport Enterprise Fund in the amount of \$2,800,000 to finance the construction of a new T-hangar and a replacement T-hangar building at the San Carlos Airport.

BACKGROUND:

This project is to replace an existing T-hangar building and construct a new, small T-hangar building at the San Carlos Airport (Airport). The existing T-hangar building is located on the southeast side of the Airport and houses the Sheriff's Air Squadron aircraft and nine other Airport tenants. The building was constructed in the 1950's and does not have a fire suppression system or restrooms. The T-hangar has ten small hangars suitable for storing single engine, 2-6 passenger aircraft with a wingspan of 40 feet or less. The building is past its useful life and needs to be replaced.

The Department of Public Works proposes to construct a new 10-unit, T-hangar building suitable for small aircraft at a location yet to be determined. There is currently a three to five-year wait list for rental of small hangars. These hangars generate revenue for the Airport Enterprise Fund and support the Airport's ongoing operations. The Airport is an Enterprise Fund and expenses are funded solely from revenue generated from Airport operations. To increase revenue and meet Airport user demand, staff recommends building a new hangar and replacing an existing hangar.

DISCUSSION:

The first phase of the project will be to build a new T-hangar building suitable for small single engine, 2-6 passenger aircraft with a wingspan of 40 feet or less. The building

will include 10 small hangars, a fire suppression system, and an ADA accessible restroom.

Staff is currently working with a consultant to identify possible locations for the new hangar in conjunction with the update of the Airport Layout Plan. Once the building is complete, the tenants of the hangar to be replaced will be moved to the new hangar.

The second phase of this project will be to demolish and replace the existing T-hangar building located on the southeast side of the Airport. The replacement hangar will be the same size and configuration as the existing small hangar and include ADA accessible restrooms, electrical upgrades, better drainage, and other improvements.

A design-build delivery method will be used to construct the new and replacement hangars. Design-build is a project delivery method in which the design and construction services are contracted by a single entity. This delivery method relies on a single point of responsibility and reduces the delivery time by overlapping a portion of the design and construction phases of the project.

County Counsel has reviewed and approved the resolution as to form.

Approval of this action contributes to the Shared Vision 2025 outcome of a Healthy Community by completing projects which enhance the safety, condition, and usability of facilities for the benefit of the San Carlos Airport users.

FISCAL IMPACT:

The total estimated cost of the project is \$2,800,000 and is proposed to be financed with a loan from the General Fund. The proposed loan is for a 25 year term at an interest rate equal to the interest rate paid on pooled reserves in the County Treasury. Loan payments will begin one-year after the loan is funded to allow sufficient time to build and rent the new hangars.

Loan payments will be made with revenue generated from the newly constructed hangars. The Airport Enterprise Fund has sufficient funds available to remit loan payments until such time that the new hangar facility is fully rented.