

Airport Capital Improvement Fund**Fund 520****PURPOSE OF THE FUND:**

This fund's allocation shall be used for Airport equipment and for Airport capital improvements. Principally, these are federal grants administered by the Federal Aviation Administration under its Airport Improvement Program (AIP). For AIP grant projects, the grant must be awarded before the project begins, and the Airport must front the initial partial payments, but can immediately apply for reimbursement for costs as they are incurred. These capital projects meet one or more Council priorities for Capital Improvement Program projects.

Revenues recorded into this fund are derived through inter-fund transfers and grants for Airport projects. All moneys may be spent for acquisitions of land and interest in land for Airport purposes, payment of relocation expenses for persons displaced by reason of such land acquisition, construction and installation of Airport improvements, engineering and planning studies for the expansion of existing airports and for new airports, and for costs of litigation incurred in connection with claims against the City involving the Airport. Most grants provide an 80% reimbursement. The Airport's 20% share is primarily funded by the Airport Passenger Facility Charge Fund or the Airport Renewal and Replacement Fund.

AUTHORITY FOR THE FUND:

San José Municipal Code section 4.80.040. Revenue and expenditure estimates are budgeted via Council funding sources resolution and appropriation ordinance, respectively.

SOURCE OF FUNDS:

- Grant revenue
- Interest earnings

FUND RESTRICTIONS:

While the use of moneys within this fund is not subject to Proposition 218, certain moneys in this fund may be restricted by other policies and guidelines, which are described below.

Federal regulations prohibit the use and/or transfer of airport funds to any other funds for non-airport related costs and/or projects. Revenue may be transferred to other airport funds only as stipulated in the Master Trust Agreement dated July 1, 2001, as supplemented and amended. Interest is restricted to the same purposes as other funds and contributions.

LEAD RESPONSIBILITY:

Airport Department

Airport Capital Improvement Fund

Fund 520

FINANCIAL INFORMATION AND LOCATION:

Comprehensive Annual Financial Report (CAFR) Designation:

Proprietary Fund-Enterprise

Budget Location:

Adopted Capital Budget and Capital Improvement Program (Airport Capital Program)

Funding Sources Resolution and Appropriation Ordinance Location:

Section 9.03