



City of Santa Barbara
Airport Department

Meeting: 08/15/18
Agenda Item No. 8

DATE: August 15, 2018
TO: Airport Commission
FROM: Hazel Johns, Airport Director
SUBJECT: Airport Industrial Area Specific Plan (SP6-AI) Update – Phase 1

RECOMMENDATION:

That Commission receive a presentation on the status of the market analysis for the Airport Industrial Area Specific Plan (SP6-AI) update.

DISCUSSION:

Background

The Airport Industrial Area Specific Plan (SP6-AI) was adopted by City Council in October 1998 to identify appropriate land uses and locations where implementation would assist in revenue generation for the Airport’s operation, maintenance, and capital improvement. The intent of SP-6 is “to improve existing and add new square footage for commercial, industrial, and/or aviation related uses (through 2010) in a manner that would take into account City and County goals and policies.”

In order to adapt to changing market conditions, reflect changes in uses and vision for the Airport Industrial Area, and to incorporate changes driven by the Airport Master Plan, Airport Commission recommended and City Council initiated a Specific Plan Amendment in 2017. After solicitation and interviews a scope of work was negotiated with RRM Design Group and a contract was awarded in April 2018 for Phase 1 of a three phase Specific Plan Update. The first phase is a market and constraints analyses, the second phase involves the preparation of a draft Specific Plan, and the third phase is the preparation of an Environmental Impact Report.

Market Analysis

The original goal of the Airport Industrial Area Specific Plan was to provide for the long-term economic self-sufficiency of the Airport’s operation, maintenance, and capital improvements through the maximization of revenues accruing to the Airport Department from the lease and rent of its industrial properties.

The principle metrics to identify an appropriate market for development is to examine employment rates and vacancy rates.

Santa Barbara's unemployment rate has remained close to the national unemployment rate for the past decade. It is currently (June 2018) at 4.15%. The national unemployment rate is at 4.01% and the California unemployment rate is 4.41%.

Employment segments with large or rapidly growing numbers of employees represent a strategic segment to target with future development. According to the 2018 UCSB Economic Forecast, the three largest employment segments in Santa Barbara County are Professional and Business Services (234,930 employees), Goods Producing (225,603 employees), and Education and Health Services (15,522 employees). The fastest growing employment sectors are Information (10.3% growth), Goods Producing (4.8% growth), and Educational and Health Services (4.3% growth).

Retail vacancy rate across the South Coast is 3.2%. Office vacancy rate is currently at 5.9% for Santa Barbara, and 7.8% for Goleta. Industrial vacancy rate is currently 0.4% for Santa Barbara and 4.0% for Goleta. The influx of cannabis industrial uses on the South Coast are expected to put downward pressure on industrial vacancy rates.

Goods producing industry and information technology light industrial uses currently demonstrate the highest demand with the lowest availability.

Several land uses that could theoretically generate higher lease rates are excluded by the constraints analysis.

Constraints Analysis

Significant site-specific factors affect the marketability of Airport industrial properties. While some consume the entire Specific Plan area, others affect only a portion of the area. This analysis, including mapping, is currently underway to spatially reflect the following constraints:

- Cannabis production is incompatible with Federal Aviation Administration Grant Assurances,
- Floodplain, noise, and community character preclude residential uses and inform building design,
- Archaeological resources limit the potential for excavation in certain areas,
- Airspace and Runway Protection Zone requirements impose height and use restrictions,
- The ground transportation network in the Goleta Valley cannot accommodate significant increases in motor vehicle traffic,
- Riparian corridors along San Pedro and Las Vegas Creek warrant environmental protection, and
- City of Santa Barbara General Plan encourages the promotion and expansion of industrial uses within the City's industrial zones.

Next Steps

Airport staff will solicit participation in stakeholder group meetings this week. The stakeholder group meetings are scheduled for August 29 and 30. Following input from the stakeholders a future development recommendation will be prepared and the project will proceed to Phase 2.

PREPARED BY: Facilities Planning & Development Division