



City of Santa Barbara
Airport Department

DATE: October 21, 2020
TO: Airport Commission
FROM: Henry Thompson, Airport Director
SUBJECT: Capital Improvement Program (CIP) for Fiscal Years 2022-2026

RECOMMENDATION:

That Airport Commission review the Draft Airport Capital Improvement Program (CIP) for Fiscal Years 2022-2026 and recommend that the CIP be forwarded to the Planning Commission and City Council.

DISCUSSION:

Background

Section 604 of the Charter of the City of Santa Barbara requires Staff to file a five-year Capital Improvement Program with the City Council at least three months before Council considers the annual budget. The Charter requirement is a clear policy statement that long-range capital planning is an important function of City government. The Capital Improvement Program is not a budget document itself, and acceptance of the Plan does not appropriate funds for any project. Instead, it is a long-term planning document which lists the Airport’s capital needs and recommended funding sources.

The first two years of the CIP are the basis for the next two year budget, and the remaining three years are projections for planning purposes. As the lead time for major capital projects to apply for funding and to complete design, permitting, and environmental review can be several years, it is useful to have a long-range plan to budget funds, staff time, and resources.

For the purposes of the City’s CIP, a capital project is defined as a project with a value of \$25,000 or more or a project with a life expectancy of more than five years. The CIP includes unfunded capital projects so that the City can prioritize projects in the event that additional funding is available (e.g. grants). Staff has revised the CIP structure to include an “unscheduled” category to provide a more accurate reflection of projects that have been identified as future needs but have not been programed or budgeted.

Draft Capital Improvement Program

The Airport Department's proposed \$54 million Capital Improvement Program includes projects that improve the Airport's infrastructure and lease facilities, the construction of new lease facilities, and the repair and restoration of aging infrastructure.

The Capital Improvement Program includes projects that are funded by Federal Aviation Administration (FAA) Airport Improvement Program grants and projects that are funded entirely with Airport Capital Funds. Each year the Airport Department submits an Airport Capital Improvement Plan (ACIP) to the FAA and the California Department of Transportation (Caltrans) Aeronautics Division. Rather than present federal, state, and local programs separately, all have been included in the Capital Improvement Program for a comprehensive plan of capital projects for the next six years.

The Airports CIP is mandated for a specific planning purpose but does not look beyond the intended 5-year period at total unfunded capital needs. In addition to the CIP, staff is beginning to review **Unfunded Capital Needs** that are not included in the CIP and typically continue to roll off the CIP year-after-year because there is not sufficient revenues projected to address these projects. Many of these projects include improvements to the Airports 80-year old infrastructure which was inherited from the military when the facilities were transferred to the city. These facilities function as Commercial Real Estate Properties today in which the Airport generates a significant portion of its operating revenues; also included is infrastructure such as airfield pavement and aging sewer lines beneath the airfield. Finally, the Airport Passenger Terminal will reach 10-years of service this year and many components of the facility including systems, equipment and building finishes are reaching end-of-life or need significant repairs to maintain the facility in good repair. No maintenance fund has been established and many of these improvements are costly and cannot be accommodated in a single budget year.

The attached Capital Improvement Program Chart lists 36 projects by funding source, FAA Airport Improvement Program grants or Airport Department Capital Fund. Project priority is also listed on the attached project detail sheets.

The Budget Subcommittee met on October 15, 2020 where staff presented each of the projects, the scope of work, estimated cost, schedule, and funding source.

PREPARED BY: Henry Thompson, Airport Director

ATTACHMENTS: 1. Airport Capital Improvement Program Project Summary
2. Draft Airport Capital Improvement Program Project Detail Sheets