



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 3, 2012

TO: Mayor and Councilmembers

FROM: Administration Division, Airport Department

SUBJECT: Acceptance Of Federal Aviation Administration Airport Improvement Program Grant Offer For Santa Barbara Airport

RECOMMENDATION:

That Council accept and authorize the Airport Director to execute, on behalf of the City, a FAA Grant offer in an amount not to exceed \$2,800,000 in Airport Improvement Program funds. The funds will be used for the Airport Terminal Improvement project, Phase V and the rehabilitation of Taxiways C, H, and J, Phase I.

DISCUSSION:

Background

The FAA under authorization from the United States Congress distributes Airport Improvement Program (AIP) funds each year. Half of each year's authorized level of AIP funding is distributed to all eligible commercial service airports through an entitlement program that guarantees a minimum level of federal assistance each year, based on prior year passenger enplanement levels. The remaining AIP funds are distributed on a discretionary basis.

The FAA Airport District Office will be issuing annual AIP grants prior to September 1, 2012. All grants must be based on certified bids for each project. The total funding amount for the 2012 entitlement grant is estimated at \$2,800,000.

Grant Projects

The projects proposed for the 2012 allocation are the Airline Terminal Project. The original budget for this project included approximately \$12,500,000 in Airport Improvement Program grants. Under the 2012 grants an estimated \$750,000 will be used to reimburse the Airport for constructing the public area, roadways, and ramp for the new terminal project.

The second project is a request for design, permitting and rehabilitation construction of taxiways C, H, and J. The taxiways have not had any major maintenance in 10-15 years. The new surface will eliminate foreign object debris (FOD) and increase operational safety. Construction bids on this project are due in late July.

Grant Offer

Airport staff has been verbally notified by FAA that the Airport Improvement Grant application has been approved and funds will be available prior to September 1, 2012.

In order to meet the FAA's deadline for acceptance of the grant award, staff is requesting early authorization, based upon the verbal notification, for the Airport Director to execute the grant agreements for the Federal Fiscal Year 2012, when the actual documents with the specific fund amounts arrive.

BUDGET/FINANCIAL INFORMATION:

Upon receipt of the actual grant agreements, staff will return to Council to appropriate the grant revenue and matching sponsor share, 9.34% of the total project cost, which will be funded from Airport reserves above policy requirements.

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office