



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: January 15, 2008
TO: Mayor and Councilmembers
FROM: Administration Division, Airport Department
SUBJECT: Contract With Jacobs Consultancy For Airport Financial Services

RECOMMENDATION: That Council:

- A. Authorize the Airport Director to execute a contract with Jacobs Consultancy for financial services in support of the Airport's Airline Terminal Improvement Project, in an amount not to exceed \$126,000; and
- B. Increase appropriations in the Fiscal Year 2008 Airport Operating Budget in the amount of \$126,000 from Airport Reserves Above Policy.

DISCUSSION:

Jacobs Consultancy (Jacobs), formerly Leigh Fisher Associates, was selected after a competitive request for proposal process as part of the Financial Team organized to assist staff in developing and implementing a comprehensive financing plan for the Airline Terminal Improvement Project. In addition to staff from the Airport and Finance Departments, the Financial Team is composed of a Financial Advisor, Bond Counsel, an Underwriter, and an Airport Financial Consultant (Jacobs).

The final plans and specifications for the Airline Terminal Improvement Project are being completed with an anticipated construction schedule targeted for fall 2008. Funding for the project will include the issuance of long-term debt.

In preparation of the bond issue, Jacobs will work with the Airport staff on the following tasks:

- Assist in negotiating a term agreement with the Airlines (historically the Airlines operating at the Airport have done so on an annual operating permit) including supporting data and documentation in negotiating the business provisions of the agreement and financial projections;
- Provide assistance in refining a cost center and cost allocation plan for the Airport in order to have a transparent and defensible system for calculating airline rates and charges;
- Prepare a plan for leveraging Passenger Facility Charge (PFC) revenue including identifying bond capital, financing and interest, and other associated costs, in the format required for a PFC application and participate in the airline consultation meetings.

REVIEWED BY: _____ Finance _____ Attorney

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- Provide financial consulting assistance for the Airport's Capital program, parking rate analyses for the construction period and upon completion of the new short term parking lot; and other general assistance as needed.

BUDGET/FINANCIAL INFORMATION:

Funding for this contract will be provided from Airport Reserves Above Policy.

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office