



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 16, 2009

TO: Mayor and Councilmembers

FROM: Administration, Airport Department

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

RECOMMENDATION: That Council:

- A. Accept and authorize the Airport Director to execute, on behalf of the City, FAA Grant Offer of \$2,378,517 in Airport Improvement Program (AIP) funds for Project No. AIP-3-06-0235-040-2009 for Phase II, construction of a new airline terminal building; and
- B. Increase appropriations and estimated revenue in the Airport Grant Fund by \$2,378,517 to be funded from Federal Aviation Administration Airport Improvement Program (AIP) Grant No. 03-06-0235-040-2009, plus the City's 5% match portion of \$125,185 to be funded from Airport reserves above policy for a total increase of \$2,503,702, for Phase II, construction of a new airline terminal building.

DISCUSSION:

The FAA, under authorization from the United States Congress, distributes 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.

However, Congress has failed to pass new legislation and FAA is operating under a Continuing Resolution through September 30, 2009. This is the second portion of the Airport's Entitlement Grant for federal fiscal year 2009. AIP-40 will be used for the construction of the Airline Terminal Improvement Program. A total of \$8,742,000 in AIP grant funds are included in the City's plan of finance for this project.

BUDGET/FINANCIAL INFORMATION:

Funds for the City's 5% match are available in the Airport's Operating Reserves above policy.

PREPARED BY: Hazel Johns, Assistant Airport Director

SUBMITTED BY: Karen Ramsdell, Airport Director

APPROVED BY: City Administrator's Office