



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 19, 2022

TO: Mayor and Councilmembers

FROM: Land Development Division, Airport Department

SUBJECT: Increase Aviation Planning Services Contract For The Fixed Based Operator Redevelopment Project (Resolution; Contract)

RECOMMENDATION: That Council:

- A. Authorize an increase in the extra services amount with Jacobs Engineering Inc., for aviation planning services for the Fixed Based Operator (FBO) Redevelopment Project, Contract No. 26,343, in the amount of \$43,626, for a total project expenditure authority of \$285,626; and
- B. Adopt, by reading of title only, a Resolution of the Council of the City of Santa Barbara Amending Resolution No. 22-059 Adopting the Budget for Fiscal Year 2023, to Appropriate Funds for Increase In Aviation Planning Services For the Fixed Based Operator Redevelopment Project.

DISCUSSION:

Background

On January 8, 2019, the City Council approved the professional services agreement with LeighFisher Inc. to proceed with the second phase of the FBO Redevelopment Project. The airport currently has two FBOs: Signature Flight Support and Atlantic Aviation. These FBOs provide management services to the general aviation community and provide fueling services to the general, charter, and commercial aviation industries. The FBO Redevelopment Project aimed to redefine the FBO property boundaries and leases at the Santa Barbara Airport (SBA) while considering the development of future facilities that FBOs would need to provide exceptional service to the aviation demand at SBA.

The second phase of the FBO Redevelopment Project outlined four tasks: 1) a Development Plan, a concept of future FBO infrastructure; 2) a Financial Plan, an estimation of City projected revenues and expenditures based on a 30-year lease term with the FBOs; 3) a Business Plan, selection of the most appropriate aviation operations, and lease agreement terms that supports SBA's goals; 4) and a Solicitation Plan that provides the City assistance with preparing a process for the selection of two prospective FBOs.

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LeighFisher Inc. (now known as Jacobs Engineering Inc.) has partially completed components of the second phase; however, a change in project direction combined with project postponements resulting from the COVID-19 pandemic requires an updated scope and fees to continue the FBO Redevelopment Project.

Current Status and Proposed Project Amendment

The FBO Redevelopment Project started in early 2019, where SBA made some progress on the first three tasks, development, financial, and business; however, the COVID-19 pandemic resulted in the postponement of the FBO Redevelopment Project to prioritize other immediate airline rate studies and aviation capital projects. SBA is now recommencing the FBO Redevelopment Project and extending the contract term to June 2023.

The contract tasks have the following modifications: 1) Development Plan and Outreach Plan, adding public outreach component; 2) Financial Plan, reassessing financial forecasts given today's aviation rates and expenditures up to date with emphasis on identifying FAA grant eligible improvements; 3) Business Plan, further review of existing, soon to be expired, FBO leases and property boundaries to better implement current aviation industry practices into new lease agreements; and 4) Proposal Evaluation, adding in depth evaluation of FBO's concept/development proposals with regards to SBA's airport master plan and how each proposal complement each other. Restructuring the FBO Redevelopment Project to be more aligned with SBA's goals is crucial to establishing two new FBO leases with redefined FBO property boundaries.

BUDGET/FINANCIAL INFORMATION:

Funding

The following summarizes the expenditures recommended in this report:

AVIATION PLANNING SERVICES CONTRACT FUNDING SUMMARY

	Base Contract	Change Order	Total
Initial Contract Amount	\$220,000	\$22,000	\$242,000
Proposed Increase	\$0	\$43,626	\$43,626
Total	\$220,000	\$65,626	\$285,626

If the recommendation is approved, the total aviation planning services contract expenditure authority will be increased to \$285,626.

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An appropriation of \$43,626 to the Airport Operating Fund in Fiscal Year 2023 is necessary to cover all remaining project costs. The Airport Operating Fund is projected to meet minimum reserves by the end of the fiscal year.

A copy of the agreement may be requested from the Airport Department for public review; please contact siza@santabarbaraca.gov to request a copy.

ENVIRONMENTAL REVIEW

There is no requirement for environmental review because this project is a planning development study and will not result in construction, demolition, or alteration to the environment.

PREPARED BY: Sara Iza, Airport Development Manager/PD/mg

SUBMITTED BY: Brian D'Amour, Interim Airport Director

APPROVED BY: City Administrator's Office