

# FINANCIAL FEASIBILITY ANALYSIS

## 6.1 INTRODUCTION

This chapter presents a financial analysis of the estimated costs of the capital improvements recommended in the Master Plan (MP) for Santa Barbara Airport (“SBA” or “the Airport”), as presented earlier in this document. This chapter describes the financial framework for the Airport, including the airline rates and charges methodology as specified in the Airline Operating Permit (AOP). It also includes an analysis of the Airport’s historical revenues and expenses for Fiscal Years<sup>1</sup> (FYs) 2021 through 2023, and projections of revenues and expenses through FY2041. In addition, the recommended funding sources for the capital projects in the MP are presented. The financial projections reflect the anticipated effects of funding the MP Capital Improvement Program (CIP). The funding plan anticipates the use of Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grants, Passenger Facility Charges (PFCs), Customer Facility Charges (CFCs), Airport funds, and bonds. The financial analysis uses the FAA-approved air traffic forecast contained in the Aviation Activity Forecast Chapter 3 as a basis for the financial projections presented in this chapter.

This chapter includes the following sections:

- ▶ Airport Financial Framework
- ▶ Proposed Capital Program
- ▶ Proposed Funding Plan
- ▶ Airline Rates and Charges
- ▶ Operation and Maintenance (O&M) Expenses
- ▶ Revenues
- ▶ Debt Service Coverage
- ▶ Signatory Airline Cost per Enplanement

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<sup>1</sup> The Airport’s fiscal year is comprised of the 12 months, ending on June 30<sup>th</sup>. Except where otherwise indicated, all information is presented in terms of the Airport’s Fiscal Year.



## 6.2 AIRPORT FINANCIAL FRAMEWORK

The Airport is owned and operated by the City of Santa Barbara, California (City). The Airport is a city proprietary fund that operates in accordance with generally accepted accounting principles (GAAP) as applied to governmental agencies. Financial statements are prepared each fiscal year based on GAAP and audited by independent certified public accountants. The Airport also maintains internal financial records, which contain a more detailed itemization of revenues and expenses, including details by cost center.

The financial projections reflect key provisions of and terms defined in, the Indenture of Trust dated April 1, 2019 (Indenture)<sup>2</sup>. The Indenture establishes priorities for the application of Revenues (as defined by the Indenture) to various funds and accounts, which are first deposited into the Revenue Fund and then flow to other funds and accounts to pay O&M (Operation and Maintenance) expenses and bond debt service, among other items. The Airport’s outstanding bonds were issued pursuant to the Indenture, and this financial analysis assumes that all future bonds will also be issued in accordance with the Indenture. Specific terms from the Indenture used in this chapter are capitalized.

## 6.3 PROPOSED CAPITAL PLAN

The Facilities Implementation Plan presents the recommended capital improvements necessary to accommodate SBA’s future needs. The recommended capital projects are presented in the following phases: Near-Term (2026 to 2030), Mid-Term (2031 to 2035), and Long-Term (2036 to 2045). **Table 6-1** summarizes the estimated project costs for the MP CIP.

As shown in **Table 6-1**, the total estimated project costs for the MP CIP are \$180.0 million in 2024 dollars, or \$218.7 million in year of expenditure (YOE) dollars. YOE of expenditure costs were calculated by escalating the total estimated project costs in 2024 dollars by approximately 2.4% annually to account for inflationary pressure.

**Table 6-1: Master Plan Capital Improvement Program Project Costs**

Time Period	Total Project Costs (2024 Dollars)	Total Project Costs (Year of Expenditure)
Near-term	\$6,275,000	\$6,634,035
Mid-term	\$123,580,000	\$145,660,215
Long-term	\$50,100,000	\$66,408,750
<b>Total</b>	<b>\$179,955,000</b>	<b>\$218,703,000</b>

Sources: Santa Barbra Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

<sup>2</sup> Information was obtained from the Series 2019 Bonds Official Statements



## 6.4 PROPOSED FUNDING PLAN

The recommended funding plan includes the following sources:

- ▶ FAA AIP Grants
- ▶ PFCs
- ▶ CFCs
- ▶ Airport Funds
- ▶ General Airport Revenue Bonds (GARBs)

### 6.4.1 FAA Airport Improvement Program Grants

FAA AIP grants are administered to develop and maintain infrastructure projects that increase the capacity, safety, and security at airports across the United States. The FAA issues either entitlement (passenger or cargo) or discretionary grants for projects. AIP passenger entitlement grants are awarded using an enplanement-based formula. The FAA awards AIP discretionary grants based on established funding priorities and the allocation of discretionary funds among nine FAA regions. The distribution of the funds to the FAA regions is based on considerations, including the number and types of airports in each region and the identified capital needs of those airports. This analysis assumes that the FAA AIP grant program will continue throughout the projection period.

**Table 6-2** presents the projections for AIP passenger entitlement funds for SBA using the current enplanement-based formula<sup>3</sup>, which is assumed to be in place for the entire forecast period. AIP entitlement funding amounts are based on passenger traffic forecasts. Some projects, particularly terminal development, are only partially eligible for AIP funding. The entitlement funding amounts for those projects reflect the percentage of eligibility typical for such projects based on the team’s airport funding experience. The maximum funding eligibility for airports such as SBA, a small hub as defined by the FAA, is 90 percent.

Based upon the current AIP enplanement-based formula, SBA is forecasted to receive \$37.6 million during the 2025-2041 period. The MP funding plan assumes a total of \$30.2 million of that \$37.6 million to be used for MP projects.

**Table 6-2: Projected Airport Improvement Program Entitlements**

	Budget	Projected								Total	Total
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2032 - 2036	2037 - 2041
Enplanements <sup>1</sup>	586,000	648,400	649,600	650,800	652,000	667,400	683,100	699,200	715,600	3,757,500	4,183,300
\$15.60 for first 50,000 PAX	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000	\$ 780,000	\$ 3,900,000	\$ 3,900,000
\$10.40 for next 50,000 PAX	520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	520,000	2,600,000	2,600,000
\$5.20 for next 400,000 PAX	2,080,000	2,080,000	2,080,000	2,080,000	2,080,000	2,080,000	2,080,000	2,080,000	2,080,000	10,400,000	10,400,000
\$1.30 for next 500,000 PAX	111,800	192,920	194,480	196,040	197,600	217,620	238,030	258,960	280,280	1,634,750	2,188,290
Total AIP Entitlements	\$ 3,491,800	\$ 3,572,920	\$ 3,574,480	\$ 3,576,040	\$ 3,577,600	\$ 3,597,620	\$ 3,618,030	\$ 3,638,960	\$ 3,660,280	\$ 18,534,750	\$ 19,088,290

Sources: Santa Barbra Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

<sup>1</sup> Based on enplanement from 2 fiscal years prior. For example, the 2024 AIP Entitlements are based on the 2022 enplanements.

<sup>3</sup> The formula can be found in the FAA’s AIP Handbook. [https://www.faa.gov/airports/aip/aip\\_handbook/?Chapter=4](https://www.faa.gov/airports/aip/aip_handbook/?Chapter=4).



## 6.4.2 Passenger Facility Charges

PFCs are user fees imposed by an airport, collected for each enplaned passenger, and used for specific projects approved by the FAA. According to federal regulations, PFC projects must (1) preserve or enhance safety, security, or capacity of the national air transportation system; (2) reduce noise or mitigate noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among air carriers. SBA is currently authorized by the FAA to collect a PFC of \$4.50 per enplaned passenger.

Since the inception of the PFC program, SBA has received approval to collect and use a total of approximately \$46.3 million in PFCs. SBA's most recent application was approved by the FAA on November 1, 2022. In FY2019, SBA issued \$29.8 million in revenue bonds to refund the Series 2009 Bonds. PFCs are used to pay a portion of the annual debt service on Series 2019 Bonds.

**Table 6-3** shows the projected PFC collections during the planning horizon based on the forecasts of passenger traffic presented in Chapter 3 of the MP. Also shown are the projected uses of PFCs, which include using PFCs on a pay-as-you-go basis for eligible costs of the MP CIP and outstanding General Airport Revenue Bond (GARB) debt service.

It is assumed that SBA will submit several PFC applications for approval to use PFCs for eligible costs, as needed, during the planning horizon. As with AIP, some projects are only partially eligible for PFC funding. For those projects, the PFC-eligible project costs reflect the typical percentage of eligibility.

The amount of PFCs available for the MP CIP funding is partially constrained by PFCs pledged to pay debt service on outstanding bonds through FY2038. Through FY2038, the annual debt service on the outstanding bonds for which PFCs are pledged averages 35.2 percent of projected annual PFCs in those years. The funding plan assumes \$13.7 million of PFCs will be used for debt service payments on the Series 2019 Bonds through FY2038. The MP CIP funding plan includes \$2.7 million in PFCs on a pay-as-you-go basis.

**Table 6-3: Projected PFC Cash Flow**

	Budget		Projected						Total		Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041		
Enplanements	649,600	650,800	652,000	667,400	683,100	699,200	715,600	732,500	3,947,100	4,292,800		
Ineligible Enplanements <sup>1</sup>	(125,075)	(125,306)	(125,537)	(128,502)	(131,525)	(134,625)	(137,783)	(141,037)	(759,981)	(826,542)		
PFC Eligible Enplanements	524,525	525,494	526,463	538,898	551,575	564,575	577,817	591,463	3,187,119	3,466,258		
PFC Fund Beginning Balance	\$ 5,049,859	\$ 6,453,373	\$ 7,855,699	\$ 8,957,246	\$ 10,180,788	\$ 11,710,606	\$ 13,299,443	\$ 14,949,870	\$ 94,580,296	\$ 144,986,657		
PFC Revenue	2,302,665	2,306,918	2,311,172	2,365,761	2,421,414	2,478,484	2,536,618	2,596,524	13,991,453	15,216,871		
Interest Received	10,100	12,907	15,711	17,914	20,362	23,421	26,599	29,900	189,161	289,973		
PFC Paygo Applied to Projects	\$ -	\$ -	\$ (311,806)	\$ (246,788)	\$ -	\$ -	\$ -	\$ (1,447,409)	\$ (676,017)	\$ -		
PFCs pledged to debt service:												
Currently outstanding Bonds	\$ (909,250)	\$ (917,500)	\$ (913,530)	\$ (913,345)	\$ (911,958)	\$ (913,068)	\$ (912,790)	\$ (912,975)	\$ (4,567,003)	\$ (1,824,655)		
Total Debt Service	\$ (909,250)	\$ (917,500)	\$ (913,530)	\$ (913,345)	\$ (911,958)	\$ (913,068)	\$ (912,790)	\$ (912,975)	\$ (4,567,003)	\$ (1,824,655)		
PFC Fund Ending Balance	\$ 6,453,373	\$ 7,855,699	\$ 8,957,246	\$ 10,180,788	\$ 11,710,606	\$ 13,299,443	\$ 14,949,870	\$ 15,215,910	\$ 103,517,890	\$ 158,668,846		

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

## 6.4.3 Customer Facility Charges

CFCs are charges imposed by airports on rental car companies to support the development and/or operation of rental car facilities. SBA is authorized to collect \$10 per rental car transaction. SBA will use



CFCs to partially fund the development of a parking garage that will also support rental car operation. SBA is restricted as a result of California Code, which limits CFCs to a maximum of \$10 per contract<sup>4</sup>.

The funding plan assumes that the SBA will use CFCs in a pay-go capacity to partially support the development of the shared-use parking garage. SBA estimates that approximately 20 to 25 percent of the parking garage will support rental car operations. The funding plan assumes that 20 percent, or \$11.9 million, of the total project cost is CFC eligible.

**Table 6-4** shows the projected CFC collections and use of CFCs during the planning horizon, based on the forecasts of passenger traffic presented in Chapter 3 of the MP.

**Table 6-4: Projected CFC Cash Flow**

	Budget	Projected							Total	Total
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041
Enplanements	649,600	650,800	652,000	667,400	683,100	699,200	715,600	732,500	3,947,100	4,292,800
Rental Car Transactions	90,323	90,490	90,656	92,798	94,981	97,219	99,500	101,849	548,819	596,887
PFC Fund Beginning Balance	\$ 320,413	\$ 1,224,282	\$ 2,131,626	\$ 3,042,454	\$ 3,976,517	\$ 4,934,277	\$ 5,916,339	\$ 6,923,168	\$ 50,662,834	\$ 19,931,106
CFC Revenue	903,228	904,896	906,565	927,977	949,807	972,193	994,997	1,018,495	5,488,193	5,968,867
Interest Received	641	2,449	4,263	6,085	7,953	9,869	11,833	13,846	101,326	39,862
CFC Funded Projects	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,929,716)	\$ -
CFCs pledged to debt service:										
Total Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>CFC Fund Ending Balance</b>	<b>\$ 1,224,282</b>	<b>\$ 2,131,626</b>	<b>\$ 3,042,454</b>	<b>\$ 3,976,517</b>	<b>\$ 4,934,277</b>	<b>\$ 5,916,339</b>	<b>\$ 6,923,168</b>	<b>\$ 7,955,509</b>	<b>\$ 44,322,637</b>	<b>\$ 25,939,835</b>

Sources: Santa Barbra Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

## 6.4.4 Airport Funds

SBA's Airport Fund receives annual deposits based on the revenues collected during the fiscal year, less funds used to meet SBA's obligations, including O&M expenses, debt service, and capital expenditures. As of the end of FY2023, SBA's Airport Capital Fund had a balance of approximately \$4.5 million. The MP funding plan assumes a total of \$6.0 million in project costs will be funded through the Airport Capital Fund. It is assumed \$1.5 million of annual capital costs will be funded with SBA's capital fund. The projects are not yet defined, but SBA typically funds street and building improvements, hangar projects, and other projects not included in the Airport's capital program. Refer to **Table 6-5** for details regarding the Airport Fund over the planning horizon.

In addition to the MP CIP projects, SBA has a five-year Airport Capital Improvement Program (ACIP). SBA's current ACIP is anticipated to be funded primarily with discretionary AIP funding, which requires a local share. The local share is assumed to be financed using the Airport Capital Fund. These amounts are also reflected in **Table 6-5**. For more information regarding the projects and funding sources of SBA's ACIP, refer to **Table 6-9**.

<sup>4</sup> Information regarding California CFC limitations was obtained from <https://codes.findlaw.com/ca/government-code/gov-sect-50474-3/>



**Table 6-5: Airport Capital Fund**

	Budget		Projected					Total		Total	
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	
Beginning Balance	\$ 4,527,812	\$ 6,789,938	\$ 8,330,925	\$ 8,293,901	\$ 3,761,291	\$ 4,340,427	\$ 5,198,309	\$ 6,045,305	\$ 42,286,752	\$ 32,006,000	
Revenues	27,787,717	31,914,796	32,118,972	33,323,436	34,656,907	35,913,625	37,248,822	38,633,961	220,237,087	277,218,677	
Less: O&M Expenses	(25,434,747)	(27,345,849)	(28,437,947)	(29,576,468)	(30,763,459)	(32,001,061)	(33,347,616)	(34,754,258)	(197,175,698)	(243,114,649)	
Less: Debt Service	(2,460,500)	(2,471,500)	(2,469,000)	(2,468,500)	(2,464,750)	(2,467,750)	(2,467,000)	(2,467,500)	(12,343,250)	(4,931,500)	
Less: New Debt Service	-	-	-	-	-	-	-	-	(3,885,415)	(19,706,036)	
Less: Airport Funded Projects (MP)	-	-	-	-	-	-	-	-	(5,964,858)	-	
Less: Airport Funded Projects (ACIP)	-	(572,075)	(662,580)	(5,224,422)	(261,520)	-	-	-	-	-	
Less: Airport Funds Applied to Debt Service	-	-	-	-	-	-	-	-	-	-	
Less: Assumed Future Capital Expenditures <sup>1</sup>	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(7,500,000)	(7,500,000)	
Add: COVID Relief Funds Landing Fees	2,960,406	598,115	-	-	-	-	-	-	-	-	
Add: PFCs Used for Debt Service	909,250	917,500	913,530	913,345	911,958	913,068	912,790	912,975	4,567,003	1,824,655	
Add: CFCs Used for Debt Service	-	-	-	-	-	-	-	-	-	-	
Add: PFC and CFC Reimbursements	-	3,500,000	-	-	-	-	-	-	-	-	
Annual Deposit to Capital Fund	\$ 2,262,126	\$ 1,540,987	\$ (37,024)	\$ (4,532,609)	\$ 579,136	\$ 857,882	\$ 846,996	\$ 825,178	\$ (2,065,131)	\$ 3,791,147	
<b>Ending Balance</b>	<b>\$ 6,789,938</b>	<b>\$ 8,330,925</b>	<b>\$ 8,293,901</b>	<b>\$ 3,761,291</b>	<b>\$ 4,340,427</b>	<b>\$ 5,198,309</b>	<b>\$ 6,045,305</b>	<b>\$ 6,870,482</b>	<b>\$ 40,221,621</b>	<b>\$ 35,797,147</b>	

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

<sup>1</sup> These future capital projects are not yet defined, but it is assumed that SBA will fund approximately \$1.5 million, annually, worth of capital improvements with the Airport Capital Fund.

### 6.4.5 General Airport Revenue Bonds

GARBs are debt instruments secured by the Airport’s Revenues. As previously discussed, PFCs can be used to pay debt service for PFC-eligible portions of project costs. Currently, SBA has one outstanding GARB, Series 2019 Bonds. As discussed above, the debt service is partially paid using PFC funds. **Figure 6-1** depicts the total annual debt service compared to the amount of annual debt service for which Pledged PFCs are used. The funding plan assumes two future GARB issuances.

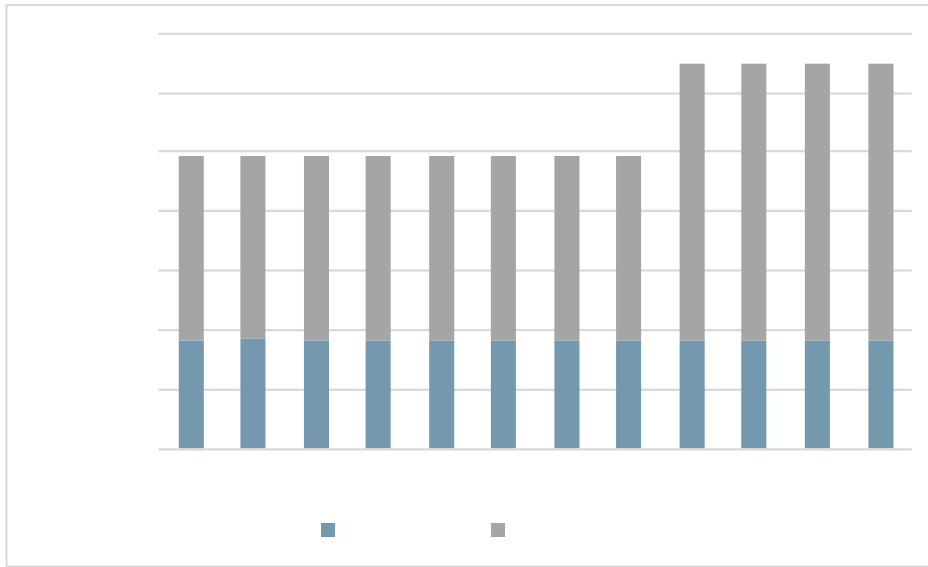
The bullets below summarize the GARB issuances required for the MP CIP.

- ▶ Series 2031 will be used to fund the fuel storage improvements which are not anticipated to be PFC or AIP eligible. The annual debt service is estimated to be approximately \$777,000 beginning in FY2032 after a one-year period of capitalized interest.
- ▶ Series 2036 will be used to fund the parking garage, which is not anticipated to be PFC or AIP eligible. The parking garage project is anticipated to be partially funded through CFCs and Airport Capital Funds. The annual debt service is estimated to be \$3.2 million beginning in FY2037 after a one-year period of capitalized interest.
- ▶ The GARB financing assumes a 30-year term, a 5.5 percent annual interest rate, and a 1.5 percent issuance cost. A one-year period of capitalized interest is anticipated for each bond series.

The projected debt service by series, depicted in **Figure 6-1**, is projected to increase from \$2.5 million in FY2024 to \$3.2 million in FY2032 before increasing again in FY2037 to \$6.4 million. Projected debt service then decreases in FY2039 due to the Series 2019 Bonds maturing. Projected debt service is anticipated to remain flat throughout the remaining portion of the planning horizon. PFCs pledged to the Series 2019 Bonds partially offset the debt service, with an average of \$0.9 million in PFCs applied annually, through FY2038. The funding plan conservatively assumes that the Fuel Storage Improvement project will be financed using GARBs. This project has the potential to attract private investment, requiring less investment from the Airport.



**Figure 6-1: Total Debt Service and Total PFCs Pledged to Debt Service**



Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

**Table 6-6: Projected Airport Debt Service**

	Budget	Projected							Total	Total
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041
Series 2019	\$ 2,460,500	\$ 2,471,500	\$ 2,469,000	\$ 2,468,500	\$ 2,464,750	\$ 2,467,750	\$ 2,467,000	\$ 2,467,500	\$ 12,343,250	\$ 4,931,500
Total Outstanding Debt Service	\$ 2,460,500	\$ 2,471,500	\$ 2,469,000	\$ 2,468,500	\$ 2,464,750	\$ 2,467,750	\$ 2,467,000	\$ 2,467,500	\$ 9,875,250	\$ -
Assumed Future Series:										
Series 2031 - GARB	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,885,415	\$ 3,885,415
Series 2036 - GARB	-	-	-	-	-	-	-	-	-	15,820,621
Total Debt Service	\$ 2,460,500	\$ 2,471,500	\$ 2,469,000	\$ 2,468,500	\$ 2,464,750	\$ 2,467,750	\$ 2,467,000	\$ 2,467,500	\$ 13,760,665	\$ 19,706,036
Less Pledged PFC:										
Outstanding Bonds	\$ 909,250	\$ 917,500	\$ 913,530	\$ 913,345	\$ 911,958	\$ 913,068	\$ 912,790	\$ 912,975	\$ 4,567,003	\$ 1,824,655
Future Bonds	-	-	-	-	-	-	-	-	-	-
Total Pledged PFCs	\$ 909,250	\$ 917,500	\$ 913,530	\$ 913,345	\$ 911,958	\$ 913,068	\$ 912,790	\$ 912,975	\$ 4,567,003	\$ 1,824,655
Net Debt Service	\$ 1,551,250	\$ 1,554,000	\$ 1,555,470	\$ 1,555,155	\$ 1,552,793	\$ 1,554,683	\$ 1,554,210	\$ 1,554,525	\$ 9,193,662	\$ 17,881,381

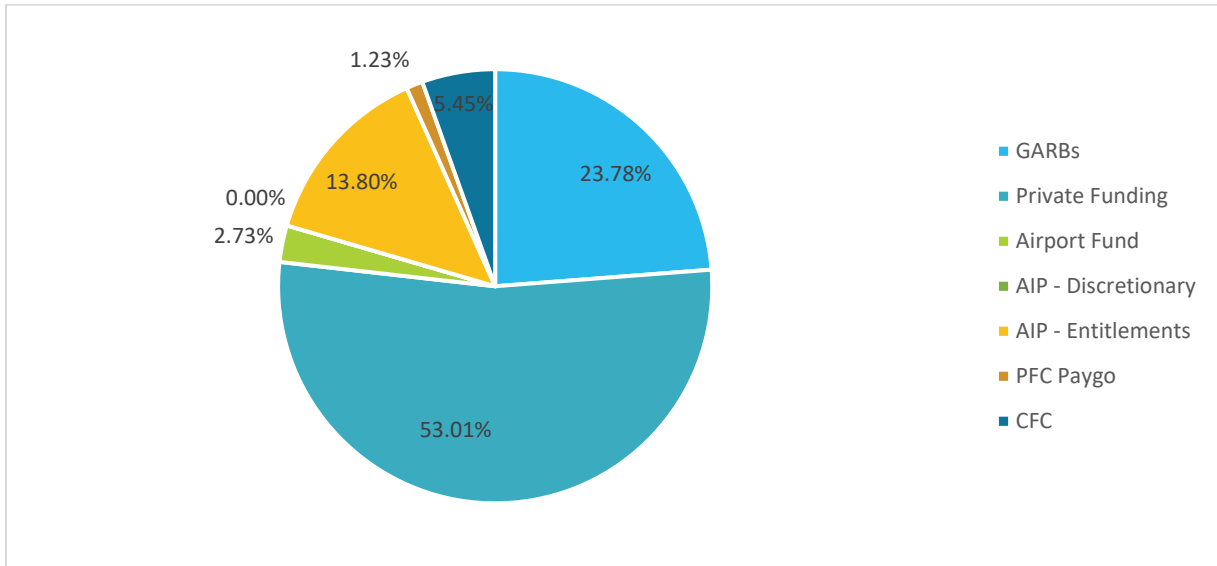
Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

## 6.4.6 Funding Plan Summary

**Figure 6-2** and **Table 6-7** summarize MP CIP project sources and uses of funds by project, reflecting the estimated costs in the year of expenditure. **Table 6-8** illustrates the MP sources and uses by project type.



**Figure 6-2: Sources of Capital Funding for MP CIP**



Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.





**Table 6-7: Estimated Capital Costs and Funding Sources**

Project Description	Project Category	Total Project Costs in 2024 \$	Total Project Cost (Year of Expenditure)	AIP Entitlements	PFC Paygo	Airport Fund	GARBs	CFC	Private Funding
<b>Near-Term (2025-2029)</b>									
Terminal Curbside Improvements	Terminal	\$75,000	\$78,607	70,746	\$7,861	\$0	-	-	-
FBO Redevelopment	FBO	1,000,000	1,048,088	-	-	-	-	-	1,048,088
Taxiway Improvements (relocated txy F)	Airside	2,900,000	3,039,456	2,735,511	303,946	-	-	-	-
Redesigned Runway 7 Bypass	Airside	2,300,000	2,467,884	2,221,096	246,788	-	-	-	-
<b>Total Near-Term</b>		<b>\$6,275,000</b>	<b>\$6,634,035</b>	<b>\$5,027,352</b>	<b>\$558,595</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,048,088</b>
<b>Medium-Term (2030-2034)</b>									
Fuel storage improvements	Fuel	\$8,700,000	\$10,254,441	-	-	-	\$10,254,441	-	-
Additional Hangars (box hangars north of Rwy 25 end)	Hangars	17,400,000	20,508,883	1,025,444	-	-	-	-	19,483,439
Additional Hangars (t-hangars under Rwy 15L appch)	Hangars	34,800,000	41,017,766	2,050,888	-	-	-	-	38,966,877
Additional Hangars (NW hangar expansion)	Hangars	50,400,000	59,405,040	2,970,252	-	-	-	-	56,434,788
Taxiway improvements (future parallel)	Airside	8,300,000	9,782,973	8,804,676	978,297	-	-	-	-
Taxiway Improvements (new taxiway crossing between A - B)	Airside	2,200,000	2,593,077	2,333,769	259,308	-	-	-	-
Taxiway Improvements (Connector improvements at 15R end)	Airside	1,600,000	1,885,874	1,697,287	188,587	-	-	-	-
Runway 15L/33R closure (marking removal and pavement disconnect)	Airside	180,000	212,161	190,945	21,216	-	-	-	-
<b>Total Medium-Term</b>		<b>\$123,580,000</b>	<b>\$145,660,215</b>	<b>\$19,073,261</b>	<b>\$1,447,409</b>	<b>\$0</b>	<b>\$10,254,441</b>	<b>\$0</b>	<b>\$114,885,104</b>
<b>Long-Term (2035-2044)</b>									
Taxiway Improvments (Demo C-A3 crossing)	Airside	\$2,400,000	\$3,181,257	\$2,863,132	\$318,126	\$0	\$0	\$0	\$0
Vertiport	Vertiport	2,700,000	3,578,915	3,221,023	357,891	-	-	-	-
Parking Garage	Parking	\$45,000,000	59,648,578	-	-	5,964,858	41,754,004	11,929,716	-
<b>Total Long-Term</b>		<b>\$50,100,000</b>	<b>\$66,408,750</b>	<b>\$6,084,155</b>	<b>\$676,017</b>	<b>\$5,964,858</b>	<b>\$41,754,004</b>	<b>\$11,929,716</b>	<b>\$0</b>

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.



**Table 6-8: Sources and Uses of Capital Funding**

Description	Near-Term	Mid-Term	Long-Term	Total
<b>Sources of Capital Funding</b>				
GARBs	\$ -	\$ 10,254,441	\$ 41,754,004	\$ 52,008,446
Private Funding	1,048,088	114,885,104	-	115,933,192
Airport Fund	-	-	5,964,858	5,964,858
AIP - Entitlements	5,027,352	19,073,261	6,084,155	30,184,768
PFC Paygo	558,595	1,447,409	676,017	2,682,020
CFC	-	-	11,929,716	11,929,716
<b>Total Sources</b>	<b>\$ 6,634,035</b>	<b>\$ 145,660,215</b>	<b>\$ 66,408,750</b>	<b>\$ 218,703,000</b>
<b>Uses of Capital Funding</b>				
Terminal	\$ 78,607	\$ -	\$ -	\$ 78,607
FBO	1,048,088	-	-	1,048,088
Airside	5,507,340	14,474,085	3,181,257	23,162,683
Fuel	-	10,254,441	-	10,254,441
Hangars	-	120,931,688	-	120,931,688
Vertiport	-	-	3,578,915	3,578,915
Parking	-	-	59,648,578	59,648,578
<b>Total Uses</b>	<b>\$ 6,634,035</b>	<b>\$ 145,660,215</b>	<b>\$ 66,408,750</b>	<b>\$ 218,703,000</b>

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

In addition to the MP CIP projects, SBA has a five-year ACIP. **Table 6-9** provides a listing of the ACIP projects, including the sources of funds for each. The below projects were included in this analysis to more accurately forecast key metrics including cost per enplanement (CPE) and coverage.

**Table 6-9: Five-Year ACIP Estimated Capital Costs and Funding Sources**

Project Description	Project Category	Total Project Costs	AIP Entitlements	AIP Discretionary	Airport Fund
<b>ACIP (2025-2028)</b>					
Master Plan Update Environmental	Other	\$ 400,000	\$ 362,640	\$ -	\$ 37,360
Bldg 257 Apron and Hangar 4 Apron Rehabilitation	Airside	275,000	-	249,315	25,685
Taxiway E, A3, A5 Rehabilitation (Design )	Airside	300,000	-	271,980	28,020
Taxiway E, A3 and A5 Rehabilitation (Const.)	Airside	5,150,000	-	4,668,990	481,010
ARFF PLACEHOLDER - PFC POSSIBLE	Airside	1,000,000	-	906,600	93,400
Part 150 Noise Study	Noise	1,200,000	1,087,920	-	112,080
Taxiway B Extension (Design)	Airside	4,114,000	-	3,729,752	384,248
Taxiway A, C, E2, B, E3, H Rehabilitation (Design) + (7-25 Redes)	Airside	780,000	-	707,148	72,852
Taxiway B Extension (Construction)	Airside	12,936,000	-	11,727,778	1,208,222
Taxiway C, B Rehabilitation (Construction)	Airside	3,000,000	-	2,719,800	280,200
Terminal Addition - South (Construction)	Terminal	40,000,000	-	36,264,000	3,736,000
Taxiway A, E2, E3, H Rehabilitation (Construction)	Airside	2,800,000	-	2,538,480	261,520
<b>Total ACIP (2025-2028)</b>		<b>\$ 71,955,000</b>	<b>\$ 1,450,560</b>	<b>\$ 63,783,843</b>	<b>\$ 6,720,597</b>

Sources: Santa Barbara Airport, Compiled by Unison Consulting.

Note: SBA's current ACIP is from FY2024 through FY2028. FY2025 and beyond are shown above.



## 6.5 AIRLINE RATES AND CHARGES

The AOP sets forth the procedures for calculating terminal building rentals, boarding bridge fees, remain overnight (RON) fees, and landing fees. The Airport uses a hybrid ratemaking methodology. The Terminal Cost Center requirement is calculated using a compensatory methodology with the Airport sharing revenues to reduce the airlines' costs. The Airfield cost center requirement is calculated using a residual methodology. The AOP will remain in effect until a new Signatory Lease and Operating Agreement is executed between the City of Santa Barbara and the airlines. For this analysis, it is assumed that the key provisions of the current airline rates and charges methodology will remain in effect throughout the planning horizon presented in this chapter.

SBA initially sets airline rates and charges for the year using budget amounts for expenses and projections for airline activity. At the Airport's discretion, a mid-year adjustment on or about February 1 can be made to keep expenditures and revenues on target. On April 1 of the fiscal year, SBA calculates the airline rates and charges using actual results. The difference between the fees collected by SBA and the actual results is billed or credited to the airlines and payable within 60 days.

### 6.5.1 Terminal Rental Rate<sup>5</sup>

SBA establishes an annual airline terminal building rental rate in accordance with the provisions set forth in the AOP. The rental rate is calculated by adding the allocation of the Airport maintenance and operating costs, council-mandated reserves, the building's debt service, and the amortization amount for Airport cash-funded capital projects. The total terminal cost is budgeted for each fiscal year. Revenue generated from Terminal passengers in the rental car, gift, and food and beverage concessions is deducted from the Total Terminal Cost, leaving a Terminal Building Requirement to be recovered from airline rentals. The rental rate charged to the airlines is calculated by dividing the amount to be recovered by the total terminal building square footage. The result of that calculation is the annual terminal building square footage rate. However, the terminal square footage rate can be negotiated and set annually for each fiscal year.

### 6.5.2 Boarding Bridge Fee

SBA establishes the boarding bridge fee in accordance with the provisions set forth in the AOP. The boarding bridge fee is calculated by adding the allocation of maintenance and operating costs, council-mandated reserves, and the debt service amount attributed to the boarding bridges. This represents the Boarding Bridge Requirement to be recovered. The fee charged to the airlines is calculated by estimating the number of times the airlines will use the boarding bridges during the year based on their schedules. Each use of the bridge is called a turn. The Passenger Boarding Bridge Requirement to be recovered is divided by the number of turns resulting in the fee charged for each use of the boarding bridge. This fee only applies to airlines that use the passenger boarding bridges.

The RON fee is set equal to the per-turn boarding bridge fee. Aircraft attached to the passenger boarding bridge will not be charged this fee.

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<sup>5</sup> Source: Airline Operating Permit Exhibit C Calculation of Airline Rates and Charges



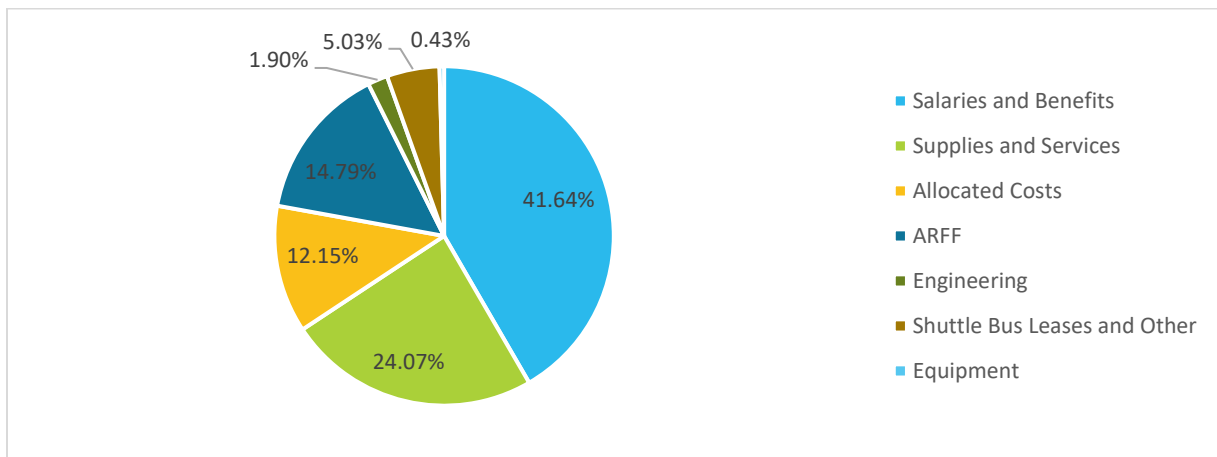
### 6.5.3 Airline Landing Fee<sup>6</sup>

SBA establishes the airline landing fee in accordance with the provisions set forth in the AOP. The Landing Fee is residual. The costs for maintenance and operation, the net debt service requirement, council-mandated reserves, and the amortization amount for Airport cash-funded capital projects are added together for a total Airport Cost Base amount each fiscal year. The Cost Base Amount is then reduced by the total revenue projected from Commercial/Industrial properties, all other non-airline revenues, the projected Airline terminal building space rental, and the boarding bridge fees. The remaining amount is the Airline Landing Fee Requirement. The projected airline landed weight is estimated by using the airline schedules each year. The weight used for each aircraft type is based on the published maximum gross landed weight. The landed weight is projected annually. The Airline Landing Fee Requirement amount is divided by the projected landed weight, which equals the landing fee rate (per 1,000 lbs. of landed weight). However, the landing fee rate can be negotiated and set annually for each fiscal year.

## 6.6 OPERATION AND MAINTENANCE EXPENSES

O&M expenses support the operation, maintenance, and repair of the Airport, excluding capital expenditures. O&M expenses are comprised of the following categories: Salaries and Benefits, Supplies and Services, Allocated Costs, ARFF, Engineering, Shuttle Bus Leases and Other, and Equipment. **Figure 6-3** depicts the categories of O&M expenses and their percentage of total expenses in FY2023.

**Figure 6-3: FY2023 Percentage of Total O&M by Category**



Sources: Santa Barbara Airport, Compiled by Unison Consulting.

<sup>6</sup> Source: Airline Operating Permit Exhibit C Calculation of Airline Rates and Charges

**Table 6-10: Historical O&M Expenses**

	2021	2022	2023	CAGR
Salaries and Benefits	\$ 7,350,451	\$ 8,652,543	\$ 9,907,692	10.5%
Supplies and Services	3,532,470	5,274,746	5,726,582	17.5%
Allocated Costs	2,100,438	2,482,657	2,891,175	11.2%
ARFF	2,815,009	3,143,967	3,518,305	7.7%
Engineering	309,689	318,621	451,667	13.4%
Shuttle Bus Leases and Other	73,954	815,622	1,196,633	152.9%
Equipment	148,093	146,207	102,336	-11.6%
<b>Total O&amp;M Expenses</b>	<b>\$ 16,330,104</b>	<b>\$ 20,834,363</b>	<b>\$ 23,794,390</b>	<b>13.4%</b>

Sources: Santa Barbara Airport, Compiled by Unison Consulting.

**Table 6-10** summarizes O&M expenses from FY2021 through FY2023 by category. O&M expenses grew \$7.5 million or 45.7 percent over the period primarily driven by the recovery of passenger traffic following the COVID-19 pandemic and inflation.

**Table 6-11** summarizes the projected O&M expenses through the planning horizon. O&M expenses are expected to grow at a compound annual growth rate (CAGR) of 3.6 percent during the forecast period, with Salaries and Benefits continuing to be the primary cost driver, averaging 50.3 percent through FY2041.

**Table 6-11: Projected O&M Expenses**

	Budget	Projected							Total	Total	CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	2024 - 2041
Salaries and Benefits	\$ 11,435,391	\$ 12,586,231	\$ 13,165,198	\$ 13,770,797	\$ 14,404,253	\$ 15,066,849	\$ 15,790,058	\$ 16,547,981	\$ 95,444,962	\$ 120,658,917	4.8%
Supplies and Services	5,488,000	6,029,314	6,167,988	6,309,852	6,454,979	6,603,443	6,761,926	6,924,212	37,194,992	41,877,838	2.6%
Allocated Costs	3,478,483	3,680,773	3,850,089	4,027,193	4,212,443	4,406,216	4,617,714	4,839,365	27,912,346	35,286,027	4.5%
ARFF	3,477,034	3,157,196	3,302,427	3,454,339	3,613,238	3,779,447	3,960,861	4,150,982	23,941,913	30,266,714	3.7%
Engineering	471,562	712,473	745,247	779,528	815,386	852,894	893,833	936,737	5,402,885	6,830,180	6.6%
Shuttle Bus Leases and Other	776,000	792,500	810,728	829,374	848,450	867,964	888,795	910,126	4,888,953	5,504,471	2.2%
Equipment	176,720	255,806	261,690	267,708	273,866	280,165	286,889	293,774	1,578,074	1,776,753	4.2%
Appropriated reserves	131,556	131,556	134,582	137,677	140,844	144,083	147,541	151,082	811,572	913,749	2.1%
<b>Total O&amp;M Expenses</b>	<b>\$ 25,434,747</b>	<b>\$ 27,345,849</b>	<b>\$ 28,437,947</b>	<b>\$ 29,576,468</b>	<b>\$ 30,763,459</b>	<b>\$ 32,001,061</b>	<b>\$ 33,347,616</b>	<b>\$ 34,754,258</b>	<b>\$ 197,175,698</b>	<b>\$ 243,114,649</b>	<b>4.1%</b>

Sources: Santa Barbara Airport, Unison Consulting, Compiled by Unison Consulting.

## 6.6.1 Salaries and Benefits

Personnel Costs are expenses comprised of the salaries, wages, and fringe benefits paid to individuals employed by the Airport to operate and maintain the terminal, airfield, roadways, and other facilities. Salaries and Benefits are projected to increase from \$11.4 million in FY2024 to \$26.4 million in FY2041, a compound annual growth rate of 4.8 percent. The increase accounts for inflationary factors, higher demand for skilled workers, and the likely need for additional staffing due to the redevelopment efforts.

## 6.6.2 Supplies and Services

Supplies and Services are comprised of expenses related to contractual services, utilities, materials, and other items supporting the operation and repair of airport facilities. They are projected to increase from \$5.5 million in FY2024 to \$8.8 million in FY2041, a compound annual growth rate of 2.6 percent. The increase accounts for inflationary factors, higher demand for skilled workers, and the likely need for additional resources as a result of the redevelopment efforts.



### 6.6.3 Allocated Costs

Allocated Costs are services or functions provided by the City of Santa Barbara from which the Airport derives some form of benefit. These services include, but are not limited to, public safety, human resources, finance, treasury, legal, and oversight. Allocated costs are projected to increase from \$3.5 million in FY2024 to \$7.7 million in FY2041, a compound annual growth rate of 4.5 percent. The increase accounts for inflationary factors and higher demand for skilled workers.

### 6.6.4 Airport Rescue and Firefighting

Airport Rescue and Firefighting (ARFF) expenses comprise the salaries, fringe benefits, equipment, and supplies used to provide ARFF services at the Airport. ARFF expenses are projected to increase from \$3.5 million in FY2024 to \$6.6 million in FY2041, a compound annual growth rate of 3.7 percent. The increase accounts for inflationary factors and higher demand for skilled workers.

### 6.6.5 Engineering

Engineering expenses are comprised of the salaries, fringe benefits, equipment, and contractors that Airport uses to provide engineering services as needed. Engineering expenses are projected to increase from \$0.5 million in FY2024 to \$1.5 million in FY2041, a compound annual growth rate of 6.6 percent. The increase accounts for inflationary factors and higher demand for skilled workers.

### 6.6.6 Shuttle Bus Leases and Other

Shuttle Bus Leases and Other expenses are comprised of the cost to provide on-airport bus services, primarily between the economy parking lot and the terminal area. Shuttle Bus Leases and Other expenses are projected to increase from \$0.8 million in FY2024 to \$1.2 million in FY2041, a compound annual growth rate of 2.2 percent. The increase accounts for inflationary factors and higher demand for skilled workers.

### 6.6.7 Equipment

Equipment expenses are comprised of costs related to machinery, vehicles, and other items used in the operation and repair of airport facilities. Equipment expenses are projected to increase from \$0.2 million in FY2024 to \$0.4 million in FY2041, a compound annual growth rate of 4.2 percent. The increase accounts for inflationary factors and higher demand for skilled workers.



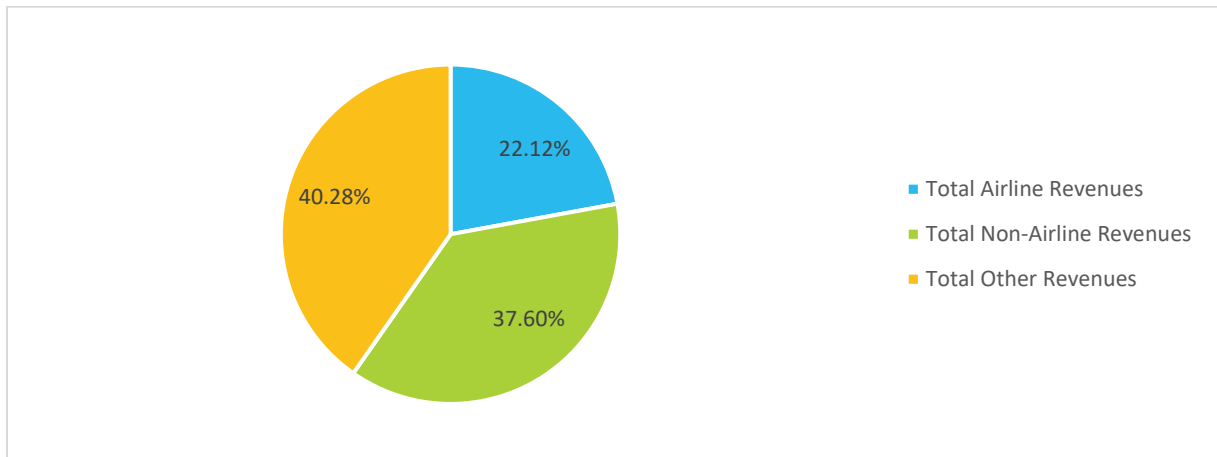
## 6.7 REVENUES

Airport Revenues include all rentals, rates, fees, and other charges for the use of the Airport or services rendered by the Airport or City of Santa Barbara with the following exclusions<sup>7</sup>:

- ▶ Grants from federal, state, or other governmental sources in which the use is limited to airport facilities or property
- ▶ Proceeds from bonds or other borrowings obtained by the City of Santa Barbara
- ▶ Money received from Net Rent Lease
- ▶ CFC and PFC Revenues
- ▶ Insurance proceeds (other than business interruption)
- ▶ Proceeds received by the City of Santa Barbara for sale or disposition for all or part of the Airport

Operating Revenues comprise the following major categories: Airline Revenues, Non-Airlines Revenues, and Other Revenues. **Figure 6-4** depicts the categories of Operating Revenues and their percentage of total Operating Revenues in FY2023.

**Figure 6-4: FY2023 Percentage of Total Revenue by Category**



Sources: Santa Barbara Airport, Compiled by Unison Consulting.

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<sup>7</sup> Information was obtained from the Series 2019 Bonds Official Statements Appendix D (D-2)

**Table 6-12: Historical Revenues**

	2021	2022	2023	CAGR
<b>Airline Revenues</b>				
Terminal Space Rentals	\$ 2,801,609	\$ 2,932,011	\$ 2,932,011	1.5%
Landing Fees - Airlines	1,198,364	1,958,035	2,176,965	22.0%
Boarding Bridge Fees	118,785	241,812	203,868	19.7%
Airline Jet Fuel Flowage Fees	114,613	276,222	375,529	48.5%
Remain Overnight Fees	53,751	81,072	71,856	10.2%
Landing Fees - Other	68,193	70,186	51,148	-9.1%
<b>Total Airline Revenues</b>	<b>\$ 4,355,315</b>	<b>\$ 5,559,338</b>	<b>\$ 5,811,377</b>	<b>10.1%</b>
<b>Non-Airline Revenues</b>				
Commercial & Industrial	\$ 5,100,127	\$ 5,155,216	\$ 4,979,046	-0.8%
Non-Commercial Aviation	4,404,611	5,062,706	4,899,149	3.6%
<b>Total Non-Airline Revenues</b>	<b>\$ 9,504,738</b>	<b>\$ 10,217,922</b>	<b>\$ 9,878,195</b>	<b>1.3%</b>
<b>Other Revenues</b>				
Rental Car	\$ 1,705,062	\$ 2,927,754	\$ 3,504,358	27.1%
Public Parking	2,054,878	4,795,948	5,879,672	42.0%
Employee Parking	32,279	45,350	71,175	30.2%
Concessions - Restaurant and Retail	80,952	341,995	530,692	87.2%
Ground Transportation	105,274	341,079	527,869	71.2%
Concessions - Other	20,214	27,462	66,897	49.0%
<b>Total Other Revenues</b>	<b>\$ 3,998,659</b>	<b>\$ 8,479,588</b>	<b>\$ 10,580,663</b>	<b>38.3%</b>
<b>Total Operating Revenues</b>	<b>\$ 17,858,712</b>	<b>\$ 24,256,848</b>	<b>\$ 26,270,235</b>	<b>13.7%</b>

Sources: Santa Barbara Airport, Compiled by Unison Consulting.

**Table 6-12** summarizes operating revenues from FY2021 through FY2023 by category. Operating revenues grew by \$8.4 million or 47.1 percent over the period, primarily driven by other revenues due to the recovery of passenger traffic following the COVID-19 pandemic.

**Table 6-13** summarizes of the projected operating revenues from the planning horizon. Operating revenues are expected to grow at a compound annual growth rate of 4.4 percent during the forecast period, growing from a projected \$27.0 million in FY2024 to \$58.5 million in FY2041.





**Table 6-13: Projected Revenues**

	Budget	Projected							Total	Total	CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	2024 - 2041
<b>Airline Revenues</b>											
Terminal Space Rentals	\$ 2,932,127	\$ 3,331,155	\$ 4,273,530	\$ 4,421,774	\$ 4,651,455	\$ 4,840,361	\$ 5,047,668	\$ 5,264,127	\$ 29,733,196	\$ 35,481,622	5.4%
Landing Fees - Airlines	2,697,064	3,192,084	3,510,673	3,113,413	3,638,134	4,110,304	4,615,606	5,146,712	33,055,395	61,080,206	9.6%
Boarding Bridge Fees	234,005	267,737	271,461	275,132	278,724	282,971	287,300	291,916	1,536,193	1,148,770	-1.7%
Airline Jet Fuel Flowage Fees	480,649	485,456	498,666	502,129	505,592	510,786	517,712	522,907	2,623,190	2,711,495	0.7%
Remain Overnight Fees	100,000	150,000	126,710	127,096	127,481	127,991	128,614	129,112	648,676	658,758	1.6%
Landing Fees - Other	56,621	57,187	57,779	57,954	58,130	58,363	58,647	58,874	295,790	300,388	0.4%
<b>Total Airline Revenues</b>	<b>\$ 6,500,466</b>	<b>\$ 7,483,620</b>	<b>\$ 8,738,820</b>	<b>\$ 8,497,497</b>	<b>\$ 9,259,516</b>	<b>\$ 9,930,774</b>	<b>\$ 10,655,547</b>	<b>\$ 11,413,647</b>	<b>\$ 67,892,440</b>	<b>\$ 101,381,240</b>	<b>7.2%</b>
<b>Non-Airline Revenues</b>											
Commercial & Industrial	\$ 5,500,077	\$ 6,352,589	\$ 6,498,699	\$ 6,648,169	\$ 6,801,076	\$ 6,957,501	\$ 7,124,481	\$ 7,295,469	\$ 39,189,284	\$ 44,123,211	2.9%
Non-Commercial Aviation	4,689,174	5,193,120	5,312,562	5,434,751	5,559,750	5,687,624	5,824,127	5,963,906	32,036,490	36,069,881	2.7%
<b>Total Non-Airline Revenues</b>	<b>\$ 10,189,251</b>	<b>\$ 11,545,709</b>	<b>\$ 11,811,260</b>	<b>\$ 12,082,919</b>	<b>\$ 12,360,826</b>	<b>\$ 12,645,125</b>	<b>\$ 12,948,608</b>	<b>\$ 13,259,375</b>	<b>\$ 71,225,774</b>	<b>\$ 80,193,093</b>	<b>2.8%</b>
<b>Other Revenues</b>											
Rental Car	\$ 3,400,352	\$ 3,603,788	\$ 3,511,674	\$ 3,594,618	\$ 3,679,179	\$ 3,765,893	\$ 3,854,224	\$ 3,945,247	\$ 21,259,092	\$ 23,121,033	1.9%
Public Parking	5,955,677	6,929,201	6,459,829	7,386,060	7,559,810	7,737,988	7,919,485	8,106,516	48,793,044	59,434,479	4.0%
Employee Parking	67,980	70,019	70,054	70,267	70,480	70,762	71,107	71,382	358,633	364,208	0.4%
Concessions - Restaurant and Retail	284,968	534,027	410,516	469,377	480,419	491,742	503,276	515,162	3,100,754	3,777,007	5.7%
Ground Transportation	573,944	661,402	619,343	708,146	724,805	741,888	759,289	777,221	4,678,085	5,698,344	4.0%
Concessions - Other	81,100	89,210	85,387	97,630	99,927	102,282	104,681	107,153	644,954	785,615	3.9%
<b>Total Other Revenues</b>	<b>\$ 10,364,021</b>	<b>\$ 11,887,647</b>	<b>\$ 11,156,804</b>	<b>\$ 12,326,099</b>	<b>\$ 12,614,620</b>	<b>\$ 12,910,555</b>	<b>\$ 13,212,062</b>	<b>\$ 13,522,681</b>	<b>\$ 78,834,563</b>	<b>\$ 93,180,686</b>	<b>3.4%</b>
<b>Total Operating Revenues</b>	<b>\$ 27,053,738</b>	<b>\$ 30,916,976</b>	<b>\$ 31,706,884</b>	<b>\$ 32,906,516</b>	<b>\$ 34,234,962</b>	<b>\$ 35,486,455</b>	<b>\$ 36,816,217</b>	<b>\$ 38,195,703</b>	<b>\$ 217,952,777</b>	<b>\$ 274,755,019</b>	<b>4.4%</b>

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

## 6.7.1 Airline Revenues

Airline revenues consist of terminal space rentals, airline landing fees, boarding bridge fees, airline jet fuel flowage fees, RON fees, and other landing fees. Airline revenues grew from \$4.4 million in FY2021 to \$5.8 million in FY2023, representing a compound annual growth rate of 10.1 percent over the same period.

Airline revenues are projected to increase at a compound annual growth rate of 7.2 percent from FY2024 through FY2041 to \$22.6 million. Airline Landing Fees are the primary driver of the increase due to the facility improvements included within the MP CIP and SBA's ACIP.

### 6.7.1.1 Terminal Space Rentals

Terminal space rentals grew from \$2.8 million in FY2021 to \$2.9 million in FY2023, representing a compound annual growth rate of 1.5 percent over the same period. Terminal space rentals comprised 50.5 percent of Airline Revenues and 11.2 percent of Operating Revenues in FY2023.

As shown in **Table 6-14**, Terminal space rentals are expected to increase from \$2.9 million in FY2024 to \$7.6 million in FY2041, representing a compound annual growth rate of 5.5 percent over the same period. The increase is driven primarily by the expiration of COVID-19 relief grants in FY2025, followed by inflationary pressure on O&M expenses. Terminal square footage is assumed to remain unchanged over the forecast period.

### 6.7.1.2 Airline Landing Fees

Airline landing fees grew from \$1.2 million in FY2021 to \$2.2 million in FY2023, representing a compound annual growth rate of 22.0 percent over the same period. Airline landing fees comprised 37.5 percent of Airline Revenues and 8.3 percent of Operating Revenues in FY2023.

As shown in **Table 6-15** Airline landing fees are expected to increase from \$2.7 million in FY2024 to \$14.1 million in FY2041, representing a compound annual growth rate of 9.6 percent over the same period. The primary driver of the increase is the facility improvements included within the MP CIP and SBA's ACIP. The landed weights are forecasted to increase by 20.4 percent between FY2024 and FY2041.

### 6.7.1.3 Boarding Bridge Fees

Boarding bridge fees grew from \$0.1 million in FY2021 to \$0.2 million in FY2023, representing a compound annual growth rate of 19.7 percent over the same period. Boarding bridge fees comprised 3.5 percent of Airline Revenues and 0.8 percent of Operating Revenues in FY2023.

As shown in **Table 6-16**, Boarding bridge fees are expected to decrease from \$0.2 million in FY2024 to \$0.2 million in FY2041, representing a compound annual growth rate of -1.7 percent over the same period. The decrease is driven primarily by the debt service of the existing bonds maturing in FY2038. The projected signatory rental rate per turn is projected to decrease from \$36.0 in FY2024 to \$20.6 in FY2041. Aircraft turns are assumed to increase by 28.2 percent over the forecast period.



#### 6.7.1.4 Airline Jet Fuel Flowage Fees

Airline jet fuel flowage fees grew from \$0.1 million in FY2021 to \$0.4 million in FY2023, representing a compound annual growth rate of 48.5 percent over the same period. Airline jet fuel flowage fees comprised 6.5 percent of Airline Revenues and 1.4 percent of Operating Revenues in FY2023.

Airline jet fuel flowage fees are expected to increase from \$0.48 million in FY2024 to \$0.55 million in FY2041, representing a compound annual growth rate of 0.7 percent over the same period. The increase is driven primarily by the projected increase in commercial operations over the forecast period. Refer to **Table 6-13** for details of the projected revenues.

#### 6.7.1.5 All Other Airline Revenues

RON fees and other landing fees offset each other, remaining relatively flat at \$0.1 million between FY2021 and FY2023, representing a compound annual growth rate of 0.3 percent over the same period. The combined fees comprised 2.1 percent of Airline Revenues and 0.5 percent of Operating Revenues in FY2023.

The combined fees are expected to increase from \$0.1 million in FY2024 to \$0.2 million in FY2041, representing a compound annual growth rate of 1.2 percent over the same period. The increase is driven primarily by the projected increase in operations over the forecast period. Refer to **Table 6-13** for details of the projected revenues.



**Table 6-14: Projected Terminal Space Rentals**

	Budget	Projected							Total	Total	CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	2024 - 2041
O&M Expenses	\$ 11,445,636	\$ 12,305,632	\$ 12,797,076	\$ 13,309,411	\$ 13,843,557	\$ 14,400,478	\$ 15,006,427	\$ 15,639,416	\$ 88,729,064	\$ 109,401,592	4.1%
Existing Net Debt Service	1,241,000	1,243,200	1,244,376	1,244,124	1,242,234	1,243,746	1,243,368	1,243,620	6,220,998	2,485,476	-100.0%
Future Debt Service	-	-	-	-	-	-	-	-	-	-	0.0%
Amortization	441,337	463,147	181,114	181,114	181,114	181,114	181,114	178,895	804,238	558,046	-7.4%
Future Amortization (MP)	-	-	-	-	-	-	-	-	-	-	0.0%
Future Amortization (ACIP)	-	-	-	-	124,533	124,533	124,533	124,533	622,667	622,667	0.0%
<b>Total Costs</b>	<b>\$ 13,127,973</b>	<b>\$ 14,011,979</b>	<b>\$ 14,222,566</b>	<b>\$ 14,734,649</b>	<b>\$ 15,391,438</b>	<b>\$ 15,949,871</b>	<b>\$ 16,555,443</b>	<b>\$ 17,186,464</b>	<b>\$ 96,376,967</b>	<b>\$ 113,067,780</b>	<b>3.4%</b>
Less:											
COVID Relief Funds	\$ 2,001,500	\$ 1,950,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-100.0%
Rental Car Revenue <sup>1</sup>	3,122,885	3,216,572	3,178,463	3,253,537	3,330,074	3,408,560	3,488,509	3,570,896	19,241,888	20,927,156	1.8%
Concessions Revenue <sup>2</sup>	366,068	623,237	495,903	567,007	580,346	594,024	607,957	622,315	3,745,708	4,562,622	5.3%
<b>Terminal Requirement</b>	<b>\$ 7,637,520</b>	<b>\$ 8,222,170</b>	<b>\$ 10,548,200</b>	<b>\$ 10,914,104</b>	<b>\$ 11,481,019</b>	<b>\$ 11,947,287</b>	<b>\$ 12,458,977</b>	<b>\$ 12,993,254</b>	<b>\$ 73,389,371</b>	<b>\$ 87,578,003</b>	<b>5.1%</b>
Total Terminal Square Feet	67,586	67,586	67,586	67,586	67,586	67,586	67,586	67,586	337,930	337,930	0.0%
Signatory Terminal Rental Rate	\$ 113.00	\$ 121.65	\$ 156.07	\$ 161.48	\$ 169.87	\$ 176.77	\$ 184.34	\$ 192.25	\$ 217.17	\$ 259.16	5.1%
Airline Rented Square Feet	25,947	27,382	27,382	27,382	27,382	27,382	27,382	27,382	136,910	136,910	0.3%
<b>Airline Terminal Revenue</b>	<b>\$ 2,932,127</b>	<b>\$ 3,331,155</b>	<b>\$ 4,273,530</b>	<b>\$ 4,421,774</b>	<b>\$ 4,651,455</b>	<b>\$ 4,840,361</b>	<b>\$ 5,047,668</b>	<b>\$ 5,264,127</b>	<b>\$ 29,733,196</b>	<b>\$ 35,481,622</b>	<b>5.4%</b>

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

<sup>1</sup> Rental Car Revenue excludes QTA Ground Rent.

<sup>2</sup> Concessions Revenue excludes Ground Transportation revenues.



**Table 6-15: Projected Airline Landing Fees**

	Budget	Projected							Total	Total	CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	2024 - 2041
O&M Expenses	\$ 25,434,747	\$ 27,345,849	\$ 28,437,947	\$ 29,576,468	\$ 30,763,459	\$ 32,001,061	\$ 33,347,616	\$ 34,754,258	\$ 197,175,698	\$ 243,114,649	4.1%
Existing Net Debt Service	1,551,250	1,554,000	1,555,470	1,555,155	1,552,793	1,554,683	1,554,210	1,554,525	7,776,248	3,106,845	-100.0%
Future Debt Service	-	-	-	-	-	-	-	-	3,885,415	19,706,036	0.0%
Amortization	2,262,126	2,113,062	568,348	568,348	568,348	559,422	548,536	526,718	2,464,636	2,397,029	-8.3%
Future Amortization (MP)	-	-	-	-	-	-	-	-	-	1,192,972	0.0%
Future Amortization (ACIP)			57,208	123,465	272,308	298,460	298,460	298,460	1,435,091	201,146	0.0%
<b>Total Costs</b>	<b>\$ 29,248,123</b>	<b>\$ 31,012,911</b>	<b>\$ 30,618,972</b>	<b>\$ 31,823,436</b>	<b>\$ 33,156,907</b>	<b>\$ 34,413,625</b>	<b>\$ 35,748,822</b>	<b>\$ 37,133,961</b>	<b>\$ 212,737,087</b>	<b>\$ 269,718,677</b>	<b>3.8%</b>
<b>Less:</b>											
Commercial & Industrial <sup>1</sup>	\$ 4,000,077	\$ 4,852,589	\$ 4,998,699	\$ 5,148,169	\$ 5,301,076	\$ 5,457,501	\$ 5,624,481	\$ 5,795,469	\$ 31,689,284	\$ 36,623,211	3.7%
All Other Nonairline Revenue	15,787,174	18,078,587	16,881,454	18,177,770	18,596,315	19,025,350	19,468,794	19,924,845	113,155,363	131,714,226	3.1%
Airline Terminal Building Rent	2,932,127	3,331,155	4,273,530	4,421,774	4,651,455	4,840,361	5,047,668	5,264,127	29,733,196	35,481,622	5.4%
Loading Bridge Fees	234,005	267,737	271,461	275,132	278,724	282,971	287,300	291,916	1,536,193	1,148,770	-1.7%
Airline Jet Fuel Flowage Fees	480,649	485,456	498,666	502,129	505,592	510,786	517,712	522,907	2,623,190	2,711,495	0.7%
Remain Overnight Fees	100,000	150,000	126,710	127,096	127,481	127,991	128,614	129,112	648,676	658,758	1.6%
COVID Relief Funds	2,960,406	598,115	-	-	-	-	-	-	-	-	-100.0%
<b>Landing Fee Requirement</b>	<b>\$ 2,753,685</b>	<b>\$ 3,249,271</b>	<b>\$ 3,568,452</b>	<b>\$ 3,171,368</b>	<b>\$ 3,696,264</b>	<b>\$ 4,168,666</b>	<b>\$ 4,674,252</b>	<b>\$ 5,205,586</b>	<b>\$ 33,351,186</b>	<b>\$ 61,380,594</b>	<b>9.5%</b>
Airline Landed Weight	863,224	987,787	994,455	997,478	1,000,501	1,004,502	1,009,393	1,013,305	5,090,975	5,170,107	1.0%
Signatory Landing Fee	\$ 3.19	\$ 3.29	\$ 3.59	\$ 3.18	\$ 3.69	\$ 4.15	\$ 4.63	\$ 5.14	\$ 6.55	\$ 11.87	8.4%
<b>Airline Landing Fee Revenue</b>	<b>\$ 2,753,685</b>	<b>\$ 3,249,271</b>	<b>\$ 3,568,452</b>	<b>\$ 3,171,368</b>	<b>\$ 3,696,264</b>	<b>\$ 4,168,666</b>	<b>\$ 4,674,252</b>	<b>\$ 5,205,586</b>	<b>\$ 33,351,186</b>	<b>\$ 61,380,594</b>	<b>9.5%</b>

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

<sup>1</sup>\$1.5 million of Commercial & Industrial revenues are excluded annually to contribute to capital improvements in the industrial area.



**Table 6-16: Projected Boarding Bridge Fees**

	Budget	Projected						Total	Total	CAGR
	2024	2025	2026	2027	2028	2029	2030	2032 - 2036	2037 - 2041	2024 - 2041
O&M Expenses	\$ 178,911	\$ 89,027	\$ 92,582	\$ 96,289	\$ 100,153	\$ 104,182	\$ 108,566	\$ 641,924	\$ 791,483	-0.2%
Existing Net Debt Service	178,394	178,710	178,879	178,843	178,571	178,788	178,734	894,268	357,287	-100.0%
Future Debt Service	-	-	-	-	-	-	-	-	-	0.0%
Amortization	-	-	-	-	-	-	-	-	-	0.0%
Future Amortization	-	-	-	-	-	-	-	-	-	0.0%
<b>Total Costs</b>	<b>\$ 357,305</b>	<b>\$ 267,737</b>	<b>\$ 271,461</b>	<b>\$ 275,132</b>	<b>\$ 278,724</b>	<b>\$ 282,971</b>	<b>\$ 287,300</b>	<b>\$ 1,536,193</b>	<b>\$ 1,148,770</b>	<b>-4.0%</b>
Less:										
COVID Relief Funds	\$ 123,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-100.0%
Loading Bridge Requirement	\$ 234,005	\$ 267,737	\$ 271,461	\$ 275,132	\$ 278,724	\$ 282,971	\$ 287,300	\$ 1,536,193	\$ 1,148,770	-1.7%
Aircraft Turns	6,501	7,437	7,595	7,648	7,701	7,780	7,885	39,954	41,299	1.4%
Signatory Per Turn Fee	\$ 36.00	\$ 36.00	\$ 35.74	\$ 35.97	\$ 36.19	\$ 36.37	\$ 36.43	\$ 38.45	\$ 27.82	-0.7%
<b>Boarding Bridge Fee Revenue</b>	<b>\$ 234,005</b>	<b>\$ 267,737</b>	<b>\$ 271,461</b>	<b>\$ 275,132</b>	<b>\$ 278,724</b>	<b>\$ 282,971</b>	<b>\$ 287,300</b>	<b>\$ 1,536,193</b>	<b>\$ 1,148,770</b>	<b>-1.7%</b>

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.



## 6.7.2 Non-Airline Revenues

Non-airline revenues consist of commercial and industrial revenues and non-commercial aviation revenues. Non-airline revenues grew from \$9.5 million in FY2021 to \$9.9 million in FY2023, representing a compound annual growth rate of 1.3 percent over the same period.

Non-airline revenues are projected to increase at a compound annual growth rate of 2.8 percent from FY2024 through FY2041 to \$16.8 million. The increase is driven primarily by annual rent escalations that are assumed to be in line with the consumer price index (CPI).

### 6.7.2.1 Commercial and Industrial

Commercial and industrial revenues decreased slightly from \$5.1 million in FY2021 to \$5.0 million in FY2023, representing a compound annual growth rate of -0.8 percent over the same period. In FY2023, commercial and industrial revenues comprised 50.4 percent of non-airline revenues and 19.0 percent of operating revenues.

Commercial and Industrial Revenues are expected to increase from \$5.5 million in FY2024 to \$9.2 million in FY2041, representing a compound annual growth rate of 2.9 percent over the same period. The increase is driven primarily by annual rent escalations that are assumed to be in line with the consumer price index (CPI). Refer to **Table 6-13** for details of the projected revenues.

### 6.7.2.2 Non-Commercial Aviation

Non-commercial aviation revenues grew from \$4.4 million in FY2021 to \$4.9 million in FY2023, representing a compound annual growth rate of 3.6 percent over the same period. Non-commercial aviation revenues comprised 49.6 percent of non-airline revenues and 18.6 percent of operating revenues in FY2023.

Non-Commercial Aviation Revenues are expected to increase from \$4.7 million in FY2024 to \$7.6 million in FY2041, representing a compound annual growth rate of 2.7 percent over the same period. The increase is driven primarily by annual rent escalations that are assumed to be in line with the consumer price index (CPI). Refer to **Table 6-13** for details of the projected revenues.

## 6.7.3 Other Revenues

Other revenues consist of rental car revenues, public parking revenues, employee parking revenues, concession revenues, and ground transportation revenues. Other revenues grew from \$4.0 million in FY2021 to \$10.6 million in FY2023, representing a compound annual growth rate of 38.3 percent over the same period.

Other revenues are projected to increase at a compound annual growth rate of 3.4 percent from FY2024 through FY2041 to \$19.1 million. The increase is driven primarily by public parking revenues and rental car revenues.



### 6.7.3.1 Rental Car Revenues

Rental car revenues grew from \$1.7 million in FY2021 to \$3.5 million in FY2023, representing a compound annual growth rate of 27.1 percent over the same period. Rental car revenues comprised 33.1 percent of Other Revenues and 13.3 percent of Operating Revenues in FY2023.

Rental car revenues are expected to increase from \$3.4 million in FY2024 to \$4.7 million in FY2041, representing a compound annual growth rate of 1.9 percent over the same period. The increase is driven primarily by the projected increase in passenger traffic plus an inflationary factor over the forecast period. Refer to **Table 6-13** for details of the projected revenues.

### 6.7.3.2 Public Parking Revenues

Public parking revenues grew from \$2.1 million in FY2021 to \$5.9 million in FY2023, representing a compound annual growth rate of 42.0 percent over the same period. Public parking revenues comprised 55.6 percent of Other Revenues and 22.4 percent of Operating Revenues in FY2023.

Public parking revenues are expected to increase from \$6.0 million in FY2024 to \$12.2 million in FY2041, representing a compound annual growth rate of 4.0 percent over the same period. The increase in public parking revenues is driven by the increase in passenger traffic over the forecast period, in addition to rate increases occurring every 5 years beginning in 2027. The rate increases are determined by the cumulative impact of inflation over the previous 5 years. Refer to **Table 6-13** for details of the projected revenues.

### 6.7.3.3 Concession Revenues

Concession revenues grew from \$0.2 million in FY2021 to \$1.1 million in FY2023, representing a compound annual growth rate of 76.1 percent over the same period. Concession revenues comprised 10.7 percent of other revenues and 4.3 percent of operating revenues in FY2023.

Concession revenues are expected to increase from \$0.4 million in FY2024 to \$0.9 million in FY2041, representing a compound annual growth rate of 5.3 percent over the same period. The increase is driven primarily by the projected increase in passenger traffic plus an inflationary factor over the forecast period. Refer to **Table 6-13** for details of the projected revenues.

### 6.7.3.4 Employee Parking Revenues

Employee parking revenues grew by a compound annual growth rate of 30.2 percent from FY2021 to FY2023 to \$0.1 million. In FY2023, employee parking revenues comprised 0.7 percent of other revenues and 0.3 percent of operating revenues.

Employee parking revenues are expected to increase from approximately \$68,000 in FY2024 to \$73,000 in FY2041, representing a compound annual growth rate of 0.4 percent over the same period. The increase is driven primarily by the projected increase in total operations over the forecast period. Refer to **Table 6-13** for details of the projected revenues.





### 6.7.3.5 Ground Transportation Revenues

Ground transportation revenues grew by a compound annual growth rate of 70.2 percent from FY2021 to FY2023 to \$527.9 thousand because of recovering passenger activity. In FY2023, ground transportation revenues comprised 5.0 percent of other revenues and 2.0 percent of operating revenues.

Ground transportation revenues are expected to increase from \$0.6 million in FY2024 to \$1.2 million in FY2041, representing a compound annual growth rate of 4.0 percent over the same period. The increase is driven primarily by the projected increase in passenger traffic over the forecast period. Refer to **Table 6-13** for details of the projected revenues.

## 6.8 PROJECTED DEBT SERVICE COVERAGE

SBA currently has one series of outstanding debt, the Series 2019 Bonds. The Series 2019 Bonds are secured under the Indenture, dated as of April 1, 2019, by and between the Santa Barbara Finance Authority (the Authority) and the Trustee. The following information are excerpts from the Series 2019 Bonds Official Statements providing details on the security and payment of the Bonds.

“The Series 2019 Bonds are limited obligations of the Authority payable solely from, and secured solely by, revenues of the Authority, consisting primarily of base rental payments payable to the Authority by City under the facility lease and Series 2019 installment payments received by the Authority from the City under the Series 2019 installment payment contract. The obligation of the City to pay base rental payments and the obligation of the City to make Series 2019 installment payments from airport revenues are independent legal obligations...Pursuant to the site lease, the City will lease to the Authority the real property upon which the facilities are located. The base rental payments to be made by the City pursuant to the facility lease are payable by the City from its general fund and any other legally available funds of the City, including its airport fund, to the Authority in an amount equaling the debt service of the Series 2019 Bonds for the use by the City of the facilities. The Series 2019 installment payments to be made by the City pursuant to the Series 2019 installment payment contract are payable by the City in an amount equaling the debt service for the Series 2019 Bonds, but solely from airport revenues, which includes all charges received for and all income and receipts derived by the City from the, ownership, operation, and use of an otherwise pertaining to the airport, or any part thereof<sup>8</sup>.”

“In accordance with the trust agreement, all revenues are irrevocably pledged to and will be used for the punctual payments of the principal of and interest on the Bonds and will not be used for any other purposes while any of the Bonds remain outstanding; provided, however, that out of the Revenues may be applied such sums as are permitted under the Trust Agreement. This pledge constitutes a first lien on the revenues in accordance with the terms of the trust agreement.<sup>9</sup>”

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<sup>8</sup> Information obtained from the Series 2019 Bonds Official Statements dated March 27, 2019, “Security and Sources of Payment for the Bonds”, page 11.

<sup>9</sup> Information obtained from the Series 2019 Bonds Official Statements dated March 27, 2019, “Pledge Under the Trust Agreement” page 12.



Additional bonds may be issued on a parity with the Series 2019 Bonds subject to the terms of the trust indenture, which include the following but are not limited to the following<sup>10</sup>:

- ▶ Proceeds of the sale of additional bonds are used to refund outstanding bonds or acquire (through purchase or lease) additional facilities.
- ▶ Proceeds or from other sources deposited in a reserve fund
- ▶ Facility lease is amended as needed so the base rental payments payable by the City in each Fiscal Year shall at least equal the debt service, including the additional bonds
- ▶ Series 2019 installment payment contract is amended so the installment payments payable by the City in each Fiscal Year shall at least equal the debt service, including the additional bonds

It is assumed that GARBs will require a minimum debt service coverage ratio of 1.25 times the debt service each year.

**Table 6-17** presents the projected debt service coverage calculation throughout the planning horizon. Debt service coverage is projected to remain at or above 1.25 times debt service through FY2041, thereby meeting or exceeding both the Rates and Charges Covenant and the Additional Bonds Test specified in the Indenture.

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<sup>10</sup> Information obtained from the Series 2019 Bonds Official Statements dated March 27, 2019 Appendix D, "Issuance of Bonds" page D-49.



**Table 6-17: Projected Debt Service Coverage**

	Budget	Projected																
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Total Revenues	\$ 27,787,717	\$ 31,914,796	\$ 32,118,972	\$ 33,323,436	\$ 34,656,907	\$ 35,913,625	\$ 37,248,822	\$ 38,633,961	\$ 40,850,059	\$ 42,383,598	\$ 43,986,418	\$ 45,664,752	\$ 47,352,260	\$ 52,513,433	\$ 54,272,894	\$ 54,694,551	\$ 56,776,963	\$ 58,960,836
Less: O&M Expenses	25,434,747	27,345,849	28,437,947	29,576,468	30,763,459	32,001,061	33,347,616	34,754,258	36,223,762	37,759,033	39,363,114	41,039,190	42,790,598	44,620,830	46,533,543	48,532,569	50,621,918	52,805,790
Net Revenues	\$ 2,352,970	\$ 4,568,947	\$ 3,681,025	\$ 3,746,968	\$ 3,893,448	\$ 3,912,564	\$ 3,901,206	\$ 3,879,703	\$ 4,626,297	\$ 4,624,564	\$ 4,623,304	\$ 4,625,562	\$ 4,561,662	\$ 7,892,604	\$ 7,739,351	\$ 6,161,982	\$ 6,155,045	\$ 6,155,045
Add: PFCs Applied to Debt Service	909,250	917,500	913,530	913,345	911,958	913,068	912,790	912,975	913,530	912,513	911,773	914,918	914,270	913,623	911,033	0	0	0
Total Revenues Available for Coverage	\$ 3,262,220	\$ 5,486,447	\$ 4,594,555	\$ 4,660,313	\$ 4,805,406	\$ 4,825,632	\$ 4,813,996	\$ 4,792,678	\$ 5,539,827	\$ 5,537,077	\$ 5,535,077	\$ 5,540,479	\$ 5,475,932	\$ 8,806,226	\$ 8,650,384	\$ 6,161,982	\$ 6,155,045	\$ 6,155,045
Debt Service	\$ 2,460,500	\$ 2,471,500	\$ 2,469,000	\$ 2,468,500	\$ 2,464,750	\$ 2,467,750	\$ 2,467,000	\$ 2,467,500	\$ 3,246,083	\$ 3,243,333	\$ 3,241,333	\$ 3,249,833	\$ 3,248,083	\$ 6,410,457	\$ 6,403,457	\$ 3,941,207	\$ 3,941,207	\$ 3,941,207
Debt Service Coverage	1.33	2.22	1.86	1.89	1.95	1.96	1.95	1.94	1.71	1.71	1.71	1.70	1.69	1.37	1.35	1.56	1.56	1.56

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

**Table 6-18: Projected Cost Per Enplanement**

	Budget	Projected								Total	Total	CAGR
	2024	2025	2026	2027	2028	2029	2030	2031	2032 - 2036	2037 - 2041	2024 - 2041	
Terminal Space Rentals	\$ 2,932,127	\$ 3,331,155	\$ 4,273,530	\$ 4,421,774	\$ 4,651,455	\$ 4,840,361	\$ 5,047,668	\$ 5,264,127	\$ 29,733,196	\$ 35,481,622	5.4%	
Landing Fees - Airlines	2,697,064	3,192,084	3,510,673	3,113,413	3,638,134	4,110,304	4,615,606	5,146,712	33,055,395	61,080,206	9.6%	
Boarding Bridge Fees	234,005	267,737	271,461	275,132	278,724	282,971	287,300	291,916	1,536,193	1,148,770	-1.7%	
Airline Jet Fuel Flowage Fees	480,649	485,456	498,666	502,129	505,592	510,786	517,712	522,907	2,623,190	2,711,495	0.7%	
Remain Overnight Fees	100,000	150,000	126,710	127,096	127,481	127,991	128,614	129,112	648,676	658,758	1.6%	
Landing Fees - Other	56,621	57,187	57,779	57,954	58,130	58,363	58,647	58,874	295,790	300,388	0.4%	
Total Airline Revenue	\$ 6,500,466	\$ 7,483,620	\$ 8,738,820	\$ 8,497,497	\$ 9,259,516	\$ 9,930,774	\$ 10,655,547	\$ 11,413,647	\$ 67,892,440	\$ 101,381,240	7.2%	
Enplanements	649,600	650,800	652,000	667,400	683,100	699,200	715,600	732,500	3,947,100	4,292,800	1.7%	
Cost Per Enplanement	\$ 10.01	\$ 11.50	\$ 13.40	\$ 12.73	\$ 13.56	\$ 14.20	\$ 14.89	\$ 15.58	\$ 17.20	\$ 23.62	5.4%	
Cost Per Enplanement (2024 \$)	\$ 10.01	\$ 10.95	\$ 12.16	\$ 11.00	\$ 11.15	\$ 11.13	\$ 11.11	\$ 11.07	-	-	-	

Sources: Santa Barbara Airport, Mead & Hunt, Unison Consulting, Compiled by Unison Consulting.

## 6.9 CONCLUSION

The following points highlight the financial feasibility of implementing the MP CIP projects:

- ▶ The funding plan assumes the use of AIP grants, CFCs, and PFCs, when available, to reduce the financial impacts MP CIP
- ▶ Debt service coverage is projected to exceed the anticipated 1.25 times debt service requirement through FY2041
- ▶ The airline CPE is projected to remain reasonable, below \$26 (under \$12 in 2024 dollars) through FY2041, which is similar to other small and medium-hub airports embarking on redevelopment programs



# APPENDICES

## **Chapter 2 – Environmental Conditions (EC)**

- EC1 Regulatory Setting
- EC2 Special-Status Species Evaluation Table
- EC3 References
- EC4 Waste Management Plan
- EC5 Noise Writeup

## **Chapter 3 – Aviation Activity Forecast (AF)**

- AF1 FAA Forecast Approval Letter

## **Chapter 4 – Facility Requirements (FR)**

- FR1 Drainage Subbasins
- FR2 Basis of Design
- FR3 Basis of Design Appendices
- FR4 Traffic Facility Requirements Analysis Report

## **Airport Layout Plan**

- LP1 ALP Sheets
- LP2 FAA SOP 2.0 and 3.0 Checklists



# EC1 REGULATORY SETTING

