

Information Item

Date: April 29, 2024

To: Mayor and City CouncilFrom: Rick Valte, Director of Public WorksSubject: Santa Monica Airport Closure Update

Introduction

On February 28, 2017, the City Council (Council) adopted <u>Resolution 11026</u> directing the City to take all actions necessary to ensure the closure of the Santa Monica Airport (Airport) effective as of midnight on December 31, 2028 per the terms of the <u>Consent Decree</u> with the Federal Aviation Administration (FAA). The Public Works Department has been tasked with the following three responsibilities to accomplish this timely closure:

- 1. Ensure continued compliance with the Consent Decree, which stipulates two major provisions:
 - Shorten the runway to 3,500 linear feet
 - Maintain airport operations until December 31, 2028
- 2. Implement a community engagement process to establish a preferred planning scenario for the airport property. The California Environmental Quality Act (CEQA) requires an Environmental Impact Report (EIR) to close the Airport. Developing an EIR requires a project definition which will be framed by the preferred planning scenario for the airport property.
- 3. Establish and adhere to a schedule of regulatory and operational steps that are necessary to close the airport as of midnight on December 31, 2028.

This Information Item provides an update on each of these three responsibilities and highlights the upcoming community engagement activities that will occur in service of Airport closure and conversion into a "Great Park" consistent with <u>Measure LC.</u>

The City team is excited to kick off the community engagement process for the Airport Conversion Project on May 19th at Clover Park and looks forward to working with residents, businesses and all other stakeholders on this momentous undertaking.

Discussion

Airport Operations: Compliance with Consent Decree

The City and the FAA entered into a Consent Decree in January 2017, which afforded the City the ability to close the Airport after December 31, 2028. Among other things, this historic settlement agreement included two essential provisions:

- The City gained the right to shorten its runway to a length of 3,500 feet The runway was shortened in December 2017 from 5,000 feet to 3,500 feet, less than a year after the consent decree was signed. The City removed the excess pavement in 2018. The shortened runway significantly reduced impacts from jet aircraft operation to the neighboring communities by 81%. Jet operations continue to remain at low levels.
- The City became obligated to operate the Airport until December 31, 2028 in accordance with federal laws that require reasonable terms that are customary and usual for similarly situated and comparably sized general aviation airports. The City is obligated to offer no less than a three-year lease to new and existing commercial aeronautical service provider tenants that can meet the requirements of the City's Minimum Standards. If space is available at the Airport to accommodate their operations, and if all regulatory requirements are met, then aeronautical service providers such as flight schools and aircraft mechanics are entitled to operate at the Airport up to and until the end of 2028. For the duration of the Consent Decree the City may not unreasonably limit or prohibit aeronautical uses at the Airport.

To ensure that the City's leasing practices conformed to its legal obligations, staff updated the <u>Airport's</u> <u>Leasing Policy</u> and established new <u>Minimum Standards for Commercial Aeronautical Services</u> at the Airport. The latter is a policy that sets minimum requirements (such as space, insurance, licenses, etc.) that aeronautical businesses must meet to be able to lease facilities at the Airport. These two policies were adopted by City Council in 2018 and established leasing practices to ensure that the City remains in compliance with its obligations to operate the Airport until the end of 2028. Some of these practices include:

- No lease term can extend beyond December 31, 2028 without City Council approval
- Hangar leases must be at a month-to-month term
- Maximum lease term for aeronautical service providers is three years

- Subleasing is generally prohibited with limited exceptions
- Leasing rates must be at fair market value

Since the Consent Decree historic agreement was ratified, staff was able to achieve a significant accomplishment at the Airport. On March 28, 2022, leaded aviation fuel was replaced with an unleaded alternative at the City's southside self-serve fuel tank. Since then, 100% of flight schools and almost all tenants have transitioned their compatible aircraft to the new unleaded fuel.

Airport Division priorities will continue to include: 1) operating the Airport in a safe and efficient manner in accordance with federal, state and local regulations; 2) negotiating leases that conform with the City's Leasing Policy and Minimum Standards; and 3) collaborating with Architectural Services and other partners working on the Airport Conversion Project.

Any questions about maintaining Airport Operations in accordance with the terms of the Consent Decree should be directed to Stelios Makrides, Chief Operating Officer – Airport Director at Stelios.Makrides@santamonica.gov

<u>Airport Conversion Project: Community Engagement Process for a Preferred Planning Scenario</u> California case law recognizes that the closure of a public facility by the local government operating that facility is a "project" for CEQA purposes and requires the certification of an EIR. In order for the City to complete the required EIR in a timely manner, there must be a Council-approved preferred scenario by January 2026.



The City and its consultant Sasaki Associates, Inc. (Sasaki) are excited to launch the community

engagement process to help determine the future of the Airport and deliver a "Great Park" that will serve Santa Monica for generations to come. The contract with Sasaki was executed in early March 2024, and the project team has begun analyzing the existing conditions and developing the engagement strategy. The schedule below illustrates the project engagement opportunities anticipated for the next 21 months.

The Phase 1 outreach engagements have been defined and the community is encouraged to participate in the following opportunities:

- Project <u>Website</u> The "save the date" webpage launched at the end of April 2024. This initial website will provide an overview of the project as well as an opportunity for members of the public to sign up for updates and learn about community events related to the project. The website will expand to include Virtual Learning Sessions, project surveys, project history, and a calendar of upcoming events. It will be updated at each phase and be available in English and Spanish.
- The Community Engagement project kick-off event will be held on May 19th in Clover Park from 11a – 3p near BBQ Area #1. Everyone is welcome to come out to listen, to learn, to share ideas, and to meet other community members committed to the future of Santa Monica.
- o Community Engagement Pop-up Events
 - 5/22 Wednesday Farmer's Market DTSM
 - 6/01 Saturday Farmer's Market

Juneteenth Celebration

• 6/15 Pancakes in the Park

Virginia Ave Park Ishihara Garden Virginia Ave Park

The City project team of staff and consultants are committed to learning at each step in this process and will share more details as they become available.

Airport Closure: Regulatory and Operational Steps

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In addition to completing the EIR referenced above, there are additional regulatory and operational steps that must be completed:

- 1. Once CEQA requirements are completed, the City Council must vote to certify the EIR and can then vote to close the Airport. This is anticipated to be no later than June 2028.
- 2. The City needs to send the following formal notices no less than 30 days before the closure date:
 - "Notice of Permanent Closure" to the US Dept. of Transportation, Office of the FAA Administrator
 - "Notice of Intent" to Deactivate and Discontinue Use of SMO as an Airport to the US Dept. of Transportation, Office of the FAA Administrator; the Office of the Western-Pacific Regional administrator; and the Los Angeles County Airports District Office

Staff are involved in ongoing discussions with the FAA regarding the specifics of how early these notices can be sent and will provide more details as they become available.

3. There are also operational issues (tenant notifications, notices to regulators regarding the decommissioning of the fueling stations, planning for the disposition of onsite FAA aviation facilities, etc.) and Municipal Code updates that will need to occur in tandem with these efforts. Staff are beginning work on these efforts as well and will provide updates as details become available.

Staff continues to investigate all other steps necessary to ensure the timely closure of the Airport and will develop a comprehensive list and schedule of anticipated milestone dates as more information becomes available.

Any questions about the Community Engagement Process or the Steps to Close the Airport should be directed to Amber Richane, Acting Chief Operating Officer – Special Projects at Amber.Richane@santamonica.gov or via the project email TheFutureOfSMO@santamonica.gov

Prepared By:

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