

FACILITIES FINANCIAL PLAN (FFP) AND HARBOR & BEACHES MASTER PLAN (HBMP)

April 16, 2026
Finance Committee



BACKGROUND

- The FFP and HBMP are long-term planning tools
- Outlined in City Council Policy F-28 – Facilities Financial Planning Program
- Funding for:
 - Renovation or replacement of City facilities that have reached the end of their useful life
 - Addition of new City facilities
- Staff prepares updates to the FFP and HBMP annually in consultation with the Public Works Department
- The Harbor Commission reviewed the HBMP at their meeting on January 14th



FACILITIES FINANCIAL PLAN

- The FFP plans for the new construction or major reconstruction or replacement of large city facilities
- The contribution for FY2025-26 was \$15.4 million, which included \$8.6 million for debt service and \$6.8 million for projects
- Debt service for debt-financed FFP projects is funded from the FFP Fund
- These payments currently amount to just over \$8.6 million per year
 - \$7.6 million for the Civic Center Certificates of Participation
 - \$1 million for the Fire Station No. 2 Certificates of Participation



FFP RELIANCE ON DEVELOPMENT AGREEMENTS AND DEVELOPER IMPACT FEES

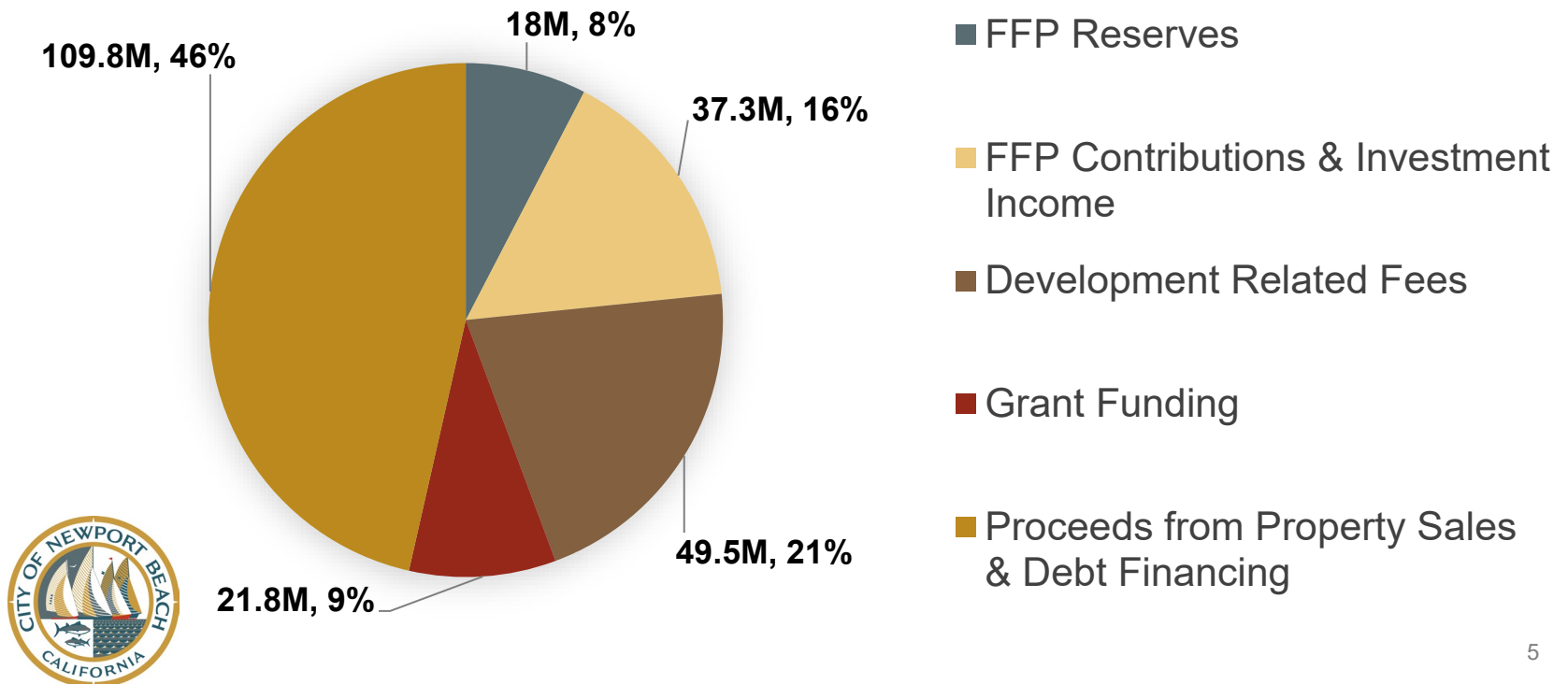
- Under current policy, the FFP is prepared with all development fees, park fees and impact fees projected to be generated from future known projects included as a revenue source
 - These revenues are an important source of funds for the FFP
 - Due to the sizable nature of some of the contributions, timing differences could create challenges in maintaining the fiscal health of the FFP Fund
- Impact Fees are newly incorporated into the FFP with the Nexus Study adopted by the City Council on November 12, 2024
- Staff applies the use of these funds to eligible projects on the plan and reserves the balance of these fees within the fund.



FFP: FIVE YEAR FUNDING ANALYSIS

FFP Funding Sources Fiscal Years 2025-26 through 2029-30

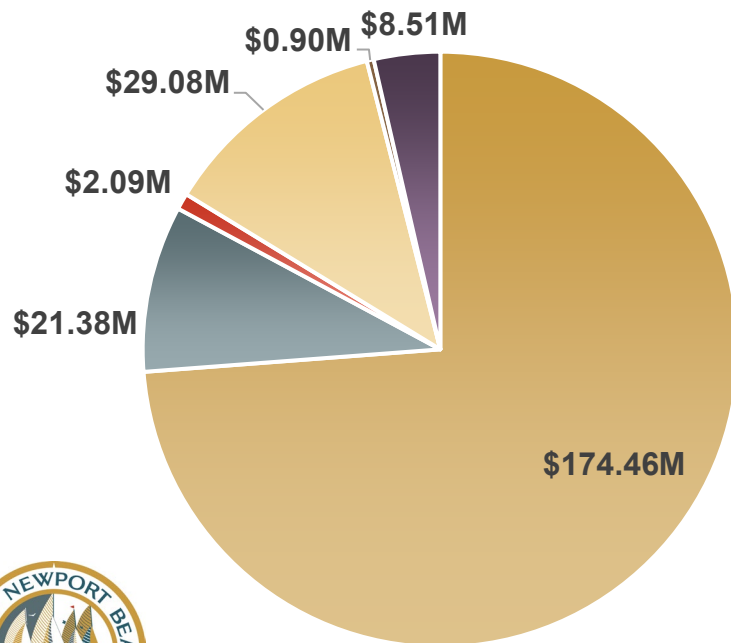
FY26 – FY30 TOTAL FFP FUNDING: \$236,408,604



FACILITIES FINANCIAL PLAN

Net Project Cost FY2025-26 through FY2029-30

FY26 – FY30 TOTAL FFP FUNDING: \$236,408,604

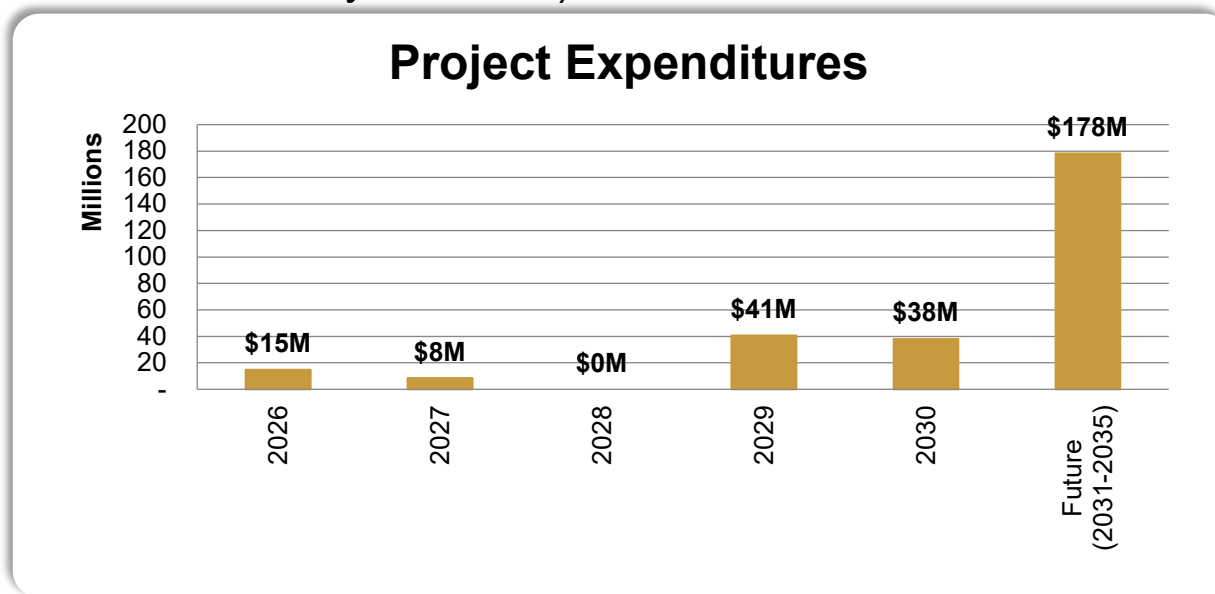


- Police Station, Including Garage FY29-30
- Fire Station No. 3 (Santa Barbara) FY29-30 (Design)
- Bonita Creek Artificial Turf Replacement FY26 -27
- PCH Ped Bridge at Superior FY29-30
- Grant Howald - Artificial Turf Replacement FY30-31 (Design)
- Newport Theatre Arts Center FY30-31 (Design)



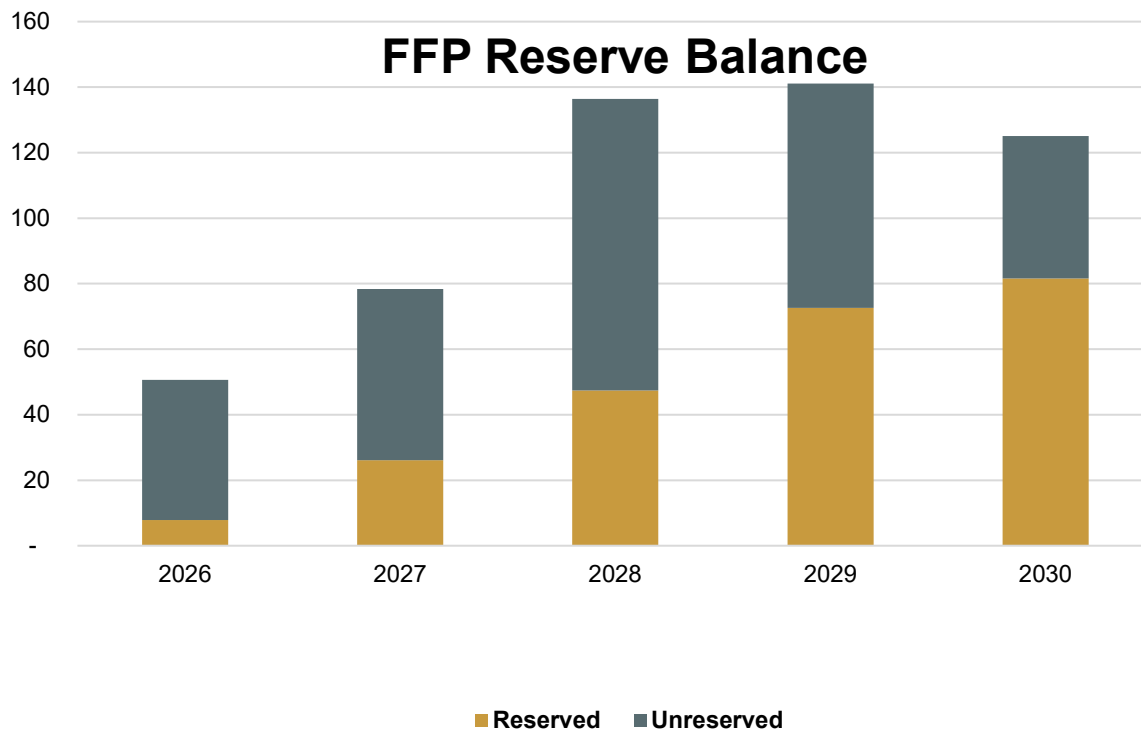
FACILITIES FINANCIAL PLAN

- The plan includes updated project estimates from Public Works.
- Project expenditures reflect the year of contract award, not total project cost. The City must have sufficient funds on hand at the time of contract award — drawn from a combination of reserves and developer related fees
- Construction costs are spread over multiple years (e.g., the Police Station's \$100M+ cost extends beyond 2031)



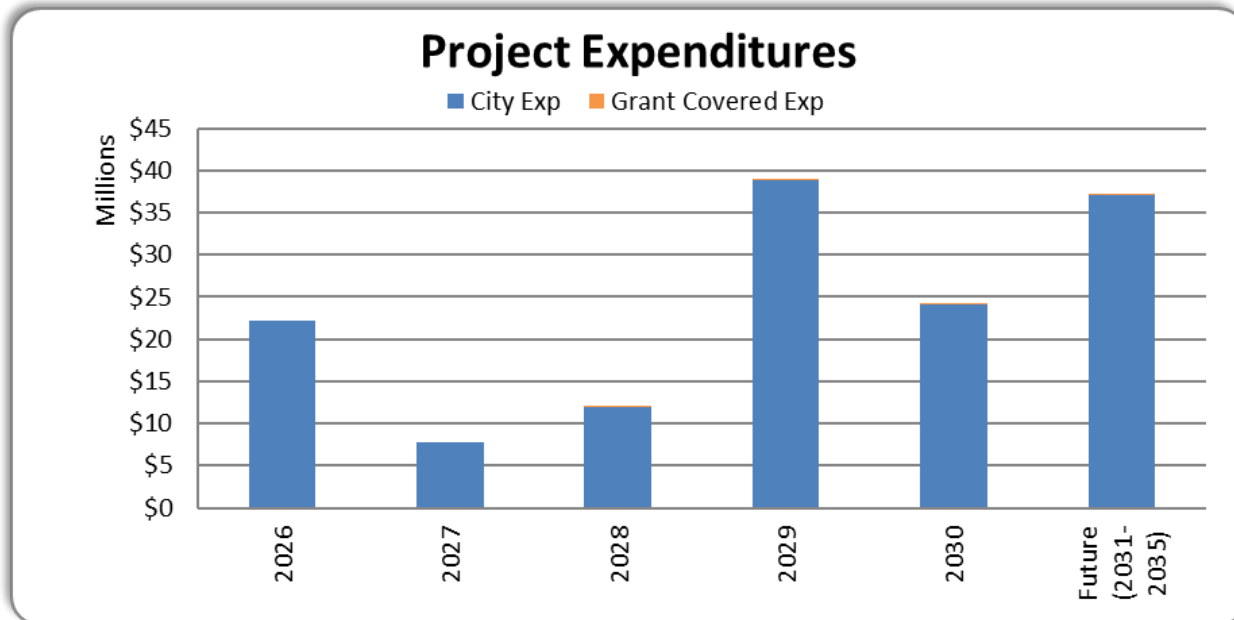
FACILITIES FINANCIAL PLAN RESERVES

- The city currently had \$18 million in FFP reserves as of June 30, 2025.
- Adequate funds are projected to be available for projects which are dependent on the timing of development related fees.



HARBOR & BEACHES MASTER PLAN

- The plan includes updated project estimates from Public Works.
- Inflation and supply chain issues have affected project costs.



HBMP REVENUE SOURCES

- Plan funding comes from the General Fund and Tidelands revenues and is also augmented by Federal/State Funding.
- In FY 2025-26, the Tidelands Capital Fund is projected to receive \$5.9 million from the General Fund's annual contribution and \$6.1 million from certain property leases, piers, and mooring rentals.



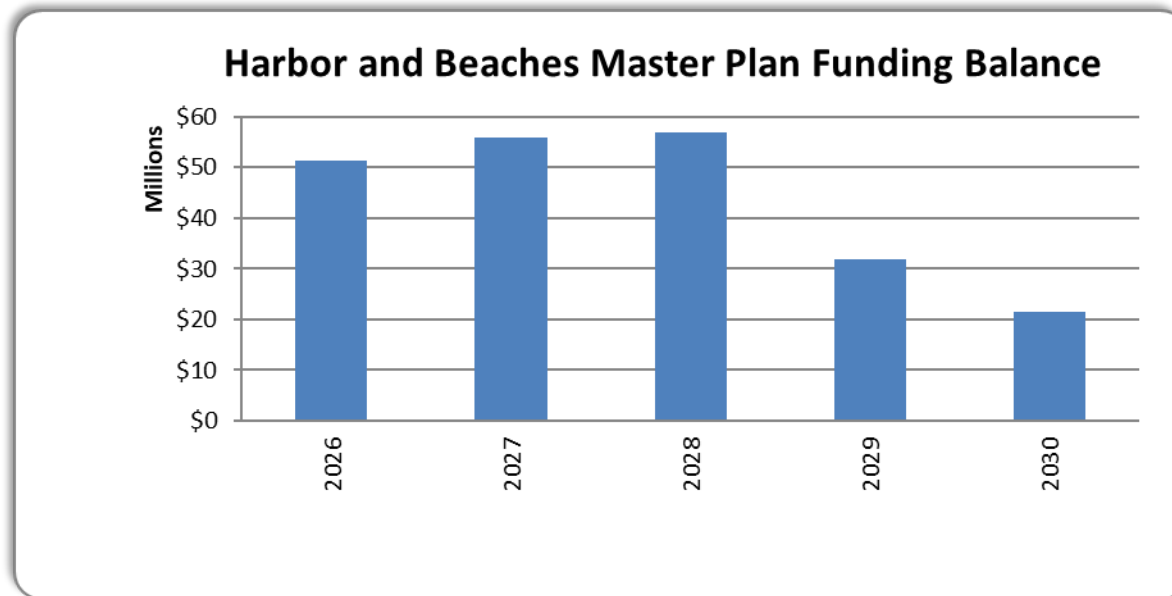
HARBOR & BEACHES MASTER PLAN

- Most of the future funding needs, or about 50%, are in a few specific projects including:
 - Balboa Island Seawall Replacement ~ \$200 million
 - Design begins this year, first section replacement begins 2028
 - Newport Pier Replacement ~ \$21 million
 - Public outreach and concept development conducted last year, construction scheduled to start in 2030
 - Balboa Pier Replacement ~ \$20 million
 - Design scheduled for 2034



HARBOR & BEACHES MASTER PLAN RESERVES

- The Tidelands Fund currently has \$51 million in capital reserves.
- Given inflationary impacts and significant projects on the horizon, staff increased funding from the General Fund last fiscal year by \$1 million, which is recommended to continue.



FACILITIES MAINTENANCE MANAGEMENT PLAN

- The FMMP funds maintenance related items to City facilities
- City maintains over 90 buildings and facilities
- Annual contributions in the plan are \$2.5 million
- Public Works prepares an update to the FMMP annually
- The current contributions are sufficient to fund planned projects



RECOMMENDATIONS

Review and discuss this report, concur with the funding levels, and provide feedback regarding the presented information



Questions?

