

Runway District

A phased plan for construction, housing, and long-term income

October 22, 2026

Mayor and City Council
City of Santa Monica

Re: A proposal for the airport site after closure

Dear Mayor and Councilmembers:

Santa Monica can create Runway District on its eastern edge: housing, parkland, and one compact Main Street on the airport site. The City owns the land, so acquisition costs \$0. It would retain ownership, contract for development, and build the capacity to operate the district.

Commission two plans for voters: lower-to-medium density with 30 acres of park, and medium-to-higher density with 12 acres of park. Each includes a short, contemporary Main Street comparable in role to Montana Avenue. Publish housing and affordability counts, budgets, park designs, schedules, and City cash forecasts for both.

Make the district a long-term housing pipeline. The City reported 4,082 completed and 6,449 approved homes by July 2026 against its 8,895-home allocation for 2021–29. Runway District's illustrative 9,525 homes add long-term capacity, but the current allocation includes 6,168 very-low, low, and moderate income homes. Future cycles will set new targets; phase and price the housing mix accordingly, without claiming 30 years of automatic compliance.

Plan a four-year construction campaign once approvals and utilities are ready: site work in Year 1; 25 percent of homes open in Year 2, 65 percent in Year 3, and full delivery in Year 4. Use repeatable designs and parallel crews. Test runway pavement for reuse as aggregate and site work. Put solar on every suitable roof and parking canopy, with storage where it pays. Price both features in bids.

The planning case budgets 9,525 homes at \$450,000 each excluding land (\$4.29 billion), \$33 million for retail, \$350 million for parks and infrastructure, and \$75 million for solar. Including a full 15 percent contingency brings the bond envelope to \$5.46 billion. Solar has an illustrative \$5 million annual benefit; concrete reuse has no assumed savings pending tests.

At 95 percent occupancy and 20 percent discounted-rent homes, rental receipts start in Year 2. An all-bond plan stays cash-negative through Year 25: \$151 million below zero in Year 4, \$116 million below zero in Year 10, then \$37 million positive in Year 30. The last bonds retire after Year 33; Year 40 cash reaches \$502 million in future nominal dollars, after a replacement reserve. Interim deficits need funded solutions before bonds are issued.

Invite qualified master developers to bid on both plans and a delivery contract. Irvine Company is one strong example of a firm to invite, not a selected or preferred vendor. Evaluate proposals independently and publish the selection criteria. Tie bonuses to cost, schedule, delivery, and operations; transfer management to City staff over two to five years. Market viable bond tranches locally and seek other capital while retaining City ownership. Independently test the schedule and fund interim deficits before a Measure LC vote. The separate addendum proposes an optional control-tower-inspired residential landmark.

Sincerely,

John Mizerek
Santa Monica resident

Enclosures: Financial model and design addendum