

# STAFF REPORT



# ITEM NO. 26

## CITY OF OCEANSIDE

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DATE: February 21, 2007

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **ADOPT A RESOLUTION TO PURSUE ALL AVAILABLE STATE OF CALIFORNIA, DEPARTMENT OF TRANSPORTATION, AERONAUTICS PROGRAM AND FEDERAL AVIATION ADMINISTRATION GRANTS AND LOANS TO FUND THE REDEVELOPMENT OF THE SOUTH SIDE OF THE OCEANSIDE MUNICIPAL AIRPORT PER THE AIRPORT MASTER PLAN**

### **SYNOPSIS**

Staff recommends that the City Council adopt a resolution authorizing staff to submit applications for State of California, Department of Transportation, Aeronautics Program, and Federal Aviation Administration (FAA) grants and loans to fund completion of the first phase of the south side airport redevelopment project and the initial engineering and design for the remaining phases of the south side airport redevelopment.

### **BACKGROUND**

The first phase of three phases of redevelopment of the south side of the airport is the construction of 21 hangars on the vacant portion of the 4.5 acres acquired from Caltrans. 11 of the 21 hangars and the site work, including hangar foundations, have been completed for the remaining ten hangars. The work to date was funded through a State of California, Department of Transportation, Aeronautics Program revenue-generating loan and Federal Aviation Administration grants.

At their November 1, 2006, meeting, Council directed staff to continue the redevelopment of the south side of the Oceanside Municipal Airport per the Airport Master Plan.

### **ANALYSIS**

The grants and loans are necessary to fund the construction of four enhanced pre-fabricated metal T-hangars and six pre-fabricated box hangars, which will complete phase I of the airport redevelopment program. Additionally the grants and loans will fund the engineering and design services necessary to complete the plans and specifications for the remainder of the south side airport redevelopment project. Phases II and III of the airport south side development call for the phased demolition of the existing administration building and hangars and construction of a new airport administration and general aviation support building with retail space, a maintenance facility and replacement hangars.

City has requested \$450,000 in FAA Grants. The FAA will not approve the grant for hangar projects; however, grant funds may be available to assist in funding the engineering and design services required to complete the south side redevelopment. The primary source of funding offered by the State is through its Aeronautics Program revenue-generating loan program. The Council resolution is required by the State in order to submit an application for an Aeronautics Program revenue-generating loan. If the loan application is approved, Council action is required to accept the loan. Accepting a State Aeronautics Program revenue-generating loan requires that the City agree not to dispose of or encumber the hangars or the property connected to them without prior permission of the State for the life of the loan, which is repayable over a period of 15 years.

### **FISCAL IMPACT**

The estimated cost to complete the phase I hangars and fund the required engineering and design services is approximately \$500,000. The worst-case scenario is that the entire amount would be funded through a State loan. If so, the projected rent revenues generated by the ten hangars would be sufficient to pay the debt service on the loan and leave a positive cash flow for the airport.

### **INSURANCE REQUIREMENTS**

Does not apply.

### **COMMISSION OR COMMITTEE REPORT**

The Airport Sub Committee, at its November 2004 meeting, unanimously approved recommending Council approval to submit an application for an Aeronautics Program revenue-generating loan.

### **CITY ATTORNEY'S ANALYSIS**

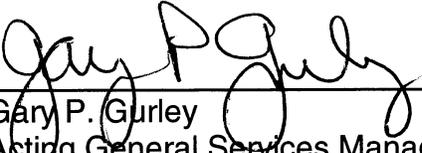
The referenced documents have been reviewed by the City Attorney and approved as to form.

**RECOMMENDATION**

Staff recommends that the City Council adopt a resolution authorizing staff to submit applications for State of California, Department of Transportation, Aeronautics Program, and Federal Aviation Administration (FAA) grants and loans to fund completion of the first phase of the south side airport redevelopment project and the initial engineering and design for the remaining phases of the south side airport redevelopment.

PREPARED BY:

SUBMITTED BY:

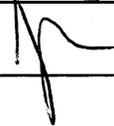
  
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Gary P. Gurley  
Acting General Services Manager

  
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Peter A. Weiss  
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Joseph Arranaga, Acting Deputy Public Works Director

  
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RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE REQUESTING FUNDING FOR THE REDEVELOPMENT OF THE SOUTH SIDE OF OCEANSIDE MUNICIPAL AIRPORT

WHEREAS, the City of Oceanside is the owner and operator of the Oceanside Municipal Airport;

WHEREAS, the City Council of the City of Oceanside, sitting in open session November 1, 2006, directed staff to continue the redevelopment of the south side of the Oceanside Municipal Airport per the Airport Master Plan; and

WHEREAS, funding is necessary to complete the construction of ten hangars, which will complete phase I of the airport south side redevelopment program and to fund the engineering and design services necessary to complete the plans and specifications for the remainder of the airport south side redevelopment program.

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

The City of Oceanside will pursue all available State of California, Department of Transportation, Aeronautics Program and Federal Aviation Administration grants and loans, including the State Aeronautics Program revenue-generating loan program, that may be available to assist in funding the redevelopment of the south side of the Oceanside Municipal Airport per the Airport Master Plan.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this \_\_\_\_\_ day of \_\_\_\_\_, 2007, by the following vote:

AYES:  
NAYS:  
ABSENT:  
ABSTAIN:

MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

APPROVED AS TO FORM:

CITY CLERK

CITY ATTORNEY