

# STAFF REPORT



ITEM NO. 20

CITY OF OCEANSIDE

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DATE: July 18, 2007

TO: Honorable Mayor and City Councilmembers

FROM: Public Works Department

SUBJECT: **APPROVAL OF A REQUEST FOR PROPOSALS FOR THE DEVELOPMENT, DESIGN, CONSTRUCTION AND OPERATION OF FACILITIES AT OCEANSIDE MUNICIPAL AIRPORT**

## **SYNOPSIS**

Staff recommends the City Council approve the Request for Proposals (RFP) seeking private airport developers for the development, design, construction and operation of facilities at the Oceanside Municipal Airport, and direction to staff.

## **BACKGROUND**

The City Council directed staff to continue the redevelopment of the south side of the Oceanside Municipal Airport consistent with the Airport Master Plan at its November 1, 2006 meeting. At its February 21, 2007 meeting, the City Council adopted a resolution authorizing staff to submit applications for a State of California, Department of Transportation, Aeronautics Program loan and a Federal Aviation Administration (FAA) grant 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. To date, the City has not received approval or denial of the requested loans or grant. Follow-on Council action at the May 16, 2007 Council meeting directed staff to prepare a draft RFP seeking private airport developers for Council consideration.

## **ANALYSIS**

The purpose of the RFP is to develop an alternate development strategy for the airport that does not include the City's financial participation by soliciting proposals from qualified firms, individuals, partnerships, etc., who may be interested in developing the airport and taking on the responsibility for the design, construction and operation of facility improvements.

The inclusion of a private development strategy significantly broadens the City's options for the development of the airport.

The draft RFP is attached as Exhibit A and includes the relevant provisions of the settlement agreement with the Citizens for a Better Oceanside, as directed by Council.

**FISCAL IMPACT**

A privately funded development project for the airport would not require any financial participation from the City. The City revenue potential of a private development would be an integral component of the negotiations leading to a lease.

**INSURANCE REQUIREMENTS**

Does not apply.

**COMMISSION OR COMMITTEE REPORT**

Does not apply.

**CITY ATTORNEY ANALYSIS**

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

**RECOMMENDATION**

Staff recommends the City Council approve the Request for Proposals (RFP) seeking private airport developers for the development, design, construction and operation of facilities at the Oceanside Municipal Airport, and direction to staff.

PREPARED BY:

SUBMITTED BY:

  
\_\_\_\_\_  
Gary P. Gurley  
Acting General Services Manager

  
\_\_\_\_\_  
Peter Weiss  
Interim City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Joseph Arranaga, Acting Deputy Public Works Director

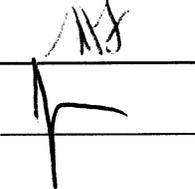
  
\_\_\_\_\_  
\_\_\_\_\_

Exhibit A

Date

NAME

ADDRESS

**Subject: Letter of Interest for the Design, Construction and Operation of Facilities at Oceanside Municipal Airport**

Dear NAME,

The City of Oceanside is soliciting letters of interest from qualified firms, individuals, partnerships, etc. who may be interested in submitting proposals for the design, construction and operation of facility improvements at the Oceanside Municipal Airport. It is the City's intent to select 3 or 4 qualified firms to submit proposals for the design, construction, financing and/or ownership and operation of airport infrastructure improvements and hangars, maintenance hangars, offices and restaurant facilities at the airport.

The Oceanside Municipal Airport is located approximately two miles northeast of Oceanside's central business district on the north side of State Route 76. It is a general aviation airport with a basic utility stage II runway designed to serve aircraft in airplane design group I and the smaller aircraft in group II; approach categories A and B; and maximum certificated takeoff weight is less than or equal to 12,500 pounds.

The airport currently has a 1500 square feet FBO/administration building with 47 automobile parking spaces, 9 transient and 46 rentable tiedowns, 23 old "T" hangars, 11 new "T" hangars, pads and site improvements for an additional six box and four "T" hangars and a self service two-pump fuel island with a 10,000 gallon tank .

Detailed facilities requirements and financial considerations are contained in the attachment. The attachment is not intended to limit the scope of work for firms selected to submit proposals. However, this should be viewed as the minimum requirements the City would accept.

Letters of Interest shall include a statement of qualifications for the firm and key individuals. Any firm interested in the ownership and operation of the facilities must demonstrate its financial ability to fund a project of this magnitude. Submittals should be limited to one page of text per key individual, five pages of text per firm qualifications and five pages of financial capabilities. Photos and examples of prior work can be added and are encouraged.

## **Letter of Interest for the Design, Construction and Operation of Facilities at Oceanside Municipal Airport**

Letters of Interest will be evaluated based on the following:

- Qualification of firm, individual, partnerships, etc., its specific personnel and team members.
- Performance of work similar in character and prior similar experience.
- Ability to complete the project in a timely manner.
- Financial capabilities.

The City's intent is to work with the selected firm to provide a reasonable rate of return to the proposer, market rent payments to the City and ultimately for the City to acquire ownership of all facilities at the end of any proposed agreement.

Firms selected to submit a proposal shall receive a packet containing a 20 scale airport layout, airport master plan and detailed directions for further submittals.

Responses to this request for letters of interest must be received by the end of the business day (4:30 p.m.) on \_\_\_\_\_. Responses shall be submitted to:

City of Oceanside  
Attn: Gary Gurley  
Public Works Department  
300 North Coast Highway  
Oceanside, California 92054

All costs associated with the preparation and submittal of a letter of interest are the responsibility of the submitter only. The contact Project Manager for this project will be Gary Gurley, (760) 435-5170.

Sincerely,

Gary Gurley  
General Services Manager

Attachment: Airport Build Out and Operations Lease Requirements

## **Airport Build Out and Operations Lease Requirements**

Term of agreement is 20-30 years.

Design Features shall include the following:

South Side: Improvements and development to be in accordance with Airport Master Plan and include:

- 6,000-10,000 square foot maintenance hangar (design must account for engine run-up noise)
- Waiting room with space for visitors, pilots and flight advisory area
- Retail space, including eating facilities
- Approximately 50 new Hangars total
- Approximately 40 Tiedowns
- Restroom facilities
- Water distribution and fire facilities
- Wet and dry utility service upgrades as needed
- Roadway circulation, parking lots, and access facilities
- Security lighting facilities
- Airplane wash facilities
- Drainage and runoff upgrades
- Pavement Management System
- Landscaping

North Side: Improvements and development to be in accordance with Airport Master Plan and will require full public process and environmental review before any development may occur.

- Restroom facilities
- Water distribution and fire facilities
- Wet and dry utility service installation
- Roadway circulation, parking lots, and access facilities
- Security lighting facilities
- Drainage and runoff upgrades
- Landscaping

Operational restrictions include no ultralight operations, aircraft rentals, aircraft rides for hire, or flight school. The City's "Good Neighbor Policy" shall be administered by the Lessee, with appropriate penalties up to and including termination of Lessee's agreement for failure to do so in an acceptable manner.

Financial considerations include:

All building and operational costs plus the funding and funding guarantees are Lessee's responsibility. No City participation. Lessee shall be required to provide full-time presence at the airport to monitor activities or pay for City presence.

## **Airport Build Out and Operations Lease Requirements**

Lessee will be required to assume payment responsibility for existing State and General Fund loans. The State loan has a \$740,500 pay off or \$79,000 per year for 12 years and the General Fund loan pay off is \$486,000 or \$47,000 per year for 15 years.

10% of gross lease payment to City.

A defined implementation schedule for the development of the South Side will be required.

# OCEANSIDE MUNICIPAL AIRPORT OPERATIONAL PROCEDURES AND GOOD NEIGHBOR POLICY

## AIRPORT ENFORCEMENT PLAN

In order to more effectively manage the on-going issues at the Oceanside Municipal Airport, the City would propose the establishment of an Enforcement Plan. Although the City has no authority to regulate aircraft once in the air, the City does retain the right to regulate leases. In order to obtain and retain a hangar or tie-down lease, certain responsibilities will be included in the lease. The City expects tenants to be responsible, aware and considerate of the City's Airport related rules, regulations and policies.

All existing leases and future leases will contain provisions whereby tenants acknowledge and agree to abide by established operational standards including:

- City established parking and security requirements.
- Schedule and timeliness of lease payments.
- Compliance with established noise abatement flight patterns.
- Compliance with Airport Operational Restrictions including:
  - No Touch and Go's.
- City will prohibit sale of airplane and helicopter rides by lessees of hangars and tie-downs.

Failure to comply with the City's requirements will result in the following lease related penalties:

**1st Violation**: Warning letter issued to aircraft owner identifying the time, date and type of violation.

**2nd Violation**: (within 60 days of the first violation): Warning letter and \$50.00/month rent increase to remain in effect for 1 year provided there are no further violations.

**3rd Violation** (within 60 days of second violation): Termination of lease.

**Pattern of Violations:** 3 violations within 6 months or a 4th violation within 1 year from the date of the first violation will be considered a pattern of violations and will result in the termination of the hangar /tie-down lease.

## **AIRPORT HOURS OF OPERATION**

As a General Aviation Airport the City cannot arbitrarily limit the hours of operation. However, due to the limit of the available staff hours assigned to the Airport, certain operational and security measures will be implemented at the Oceanside Municipal Airport.

The following schedule will provide a full-time City presence at the Airport for the hours indicated:

Monday-Friday (Summer) 8:00 A.M. to 5:30 P.M.  
(Winter) 7:30 A.M. to 5 P.M.  
Saturday, Sunday and Holidays  
(Summer) 9:30 A.M. to 5:30 P.M.  
(Winter) 9 A.M. to 5 P.M.

## **AIRPORT SERVICES**

Fuel sales will be prohibited between the hours indicated:

Monday-Friday 9 P.M. to 6 A.M.  
Saturday, Sunday and Holidays 9 P.M. to 6 A.M.

No future Fixed Base Operator will be pertained to establish or operate a flight school.

## **RULES AND REGULATIONS GOVERNING TRANSIENT AIRCRAFT OPERATOR REGISTRATION REQUIREMENTS**

After landing, each transient pilot/operator or his/her duly authorized representative shall complete and submit a transient aircraft registration form and acknowledge receipt of aircraft noise regulations. Information supplied on the registration form shall include the following data: date and time of arrival, name of pilot, home base, aircraft tail number, contact phone numbers.