ITEM NO. 10

STAFF REPORT

CITY OF OCEANSIDE

DATE: June 20, 2012

TO: Honorable Mayor and City Council Members

FROM: Property Management

SUBJECT: **APPROVAL TO ACCEPT $60,000 IN GRANT FUNDS FROM THE CALIFORNIA DEPARTMENT OF TRANSPORTATION DIVISION OF AERONAUTICS AND A BUDGET APPROPRIATION OF SAID GRANT FUNDS TO THE AIRPORT MAINTENANCE AND OPERATION FUND**

SYNOPSIS

Staff recommends that the City Council approve the acceptance of $60,000 in grant funds from the California Department of Transportation Division of Aeronautics awarded to the City of Oceanside, as the sponsor, for improvements such as runway lighting replacements and apron repairs to the Oceanside Municipal Airport and approve a budget appropriation of said grant funds to the Airport Maintenance and Operation Fund 817124500272.4376.

BACKGROUND

The California Department of Transportation Division of Aeronautics ("Caltrans"), as part of its California Air to Airports Program ("CAAP"), has funds available to airports located within the State of California. Under CAAP, there are annual grant funds in the amount of $10,000 per year available to the Oceanside Municipal Airport ("Airport"). In July 2011, the City requested disbursement of the $10,000 available for FY 2011-12 in addition to requesting disbursement of an additional $50,000 in unused funds for the five previous fiscal years, which $60,000 total was subsequently granted to the City by Caltrans.

ANALYSIS

Pursuant to the Lease and Operating Agreements ("Agreements") between the City and Airport Property Ventures, LLC ("APV"), the Airport was leased to APV, and required APV to operate and maintain the Airport in addition to development of the Airport. The grant funds will be made available to APV for related maintenance and improvement expenditures to the Airport per the Agreements. Repairs and improvements include such items as runway lighting replacements, apron repairs, building roof repairs, and improvements to the perimeter fencing and gates.

By accepting the grant from Caltrans, the City will be able to provide much-needed capital to the Airport for maintenance, repairs, and capital improvements that have been

deferred over the years. These repairs and improvements, together with construction of the southside hangars, which are scheduled to begin in this summer, will begin the long awaited upgrade and development of the Airport.

FISCAL IMPACT

A budget appropriation of $60,000 to the Airport Maintenance and Operating Fund 817124500272.4376 will allow the terms of the grant to be met. In addition, a budget appropriation for an additional $10,000 into the same fund, for the anticipated annual grant for FY 2012-13, will also be needed. The $60,000 grant and the anticipated $10,000 grant for FY 2012-13 will be handled as a reimbursement program in account 817124500272.5305 for work completed at the Airport by APV per the terms of the Agreements.

INSURANCE REQUIREMENTS

Does not apply.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The City Attorney Analysis does not apply.

RECOMMENDATION

Staff recommends that the City Council approve the acceptance of $60,000 in grant funds from the California Department of Transportation Division of Aeronautics awarded to the City of Oceanside, as the sponsor, for improvements such as runway lighting replacements and apron repairs to the Oceanside Municipal Airport and approve a budget appropriation of said grant funds to the Airport Maintenance and Operation Fund 817124500272.4376.

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