



U.S. Department
of Transportation
**Federal Aviation
Administration**

Western-Pacific Region
Office of the Regional Administrator

P.O. Box 92007
Los Angeles, CA 90009

JUN 09 2008

Mr. Gary Gurley
General Services Manager
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054-2885

Dear Mr. Gurley:

This letter is in response to your May 22, 2008, letter concerning Oceanside Municipal Airport, which is owned and operated by the city of Oceanside (City). You specifically requested the protocol to satisfy the grant assurances for the disposal of 14.7 acres of airport property acquired by the City with federal financial assistance in 2003.

When the City accepted federal financial assistance to acquire the subject land, it agreed to comply with a number of contractual obligations. These obligations are contained in the grant documents and in an attachment referred to as the Airport Sponsor Assurances. Grant condition number 11 specifically refers completing the airport development, for which the land was acquired, within 5 years. This condition goes on to state that the City will not dispose of the land by sale or lease without prior consent and approval of the Federal Aviation Administration (FAA). There is no limit on the duration of these terms, conditions, and assurances with respect to real property acquired with federal funds (Ref. Assurance B1).

The FAA considers the City's agreement with the Deutsch Company to be subordinate to the federal contractual agreement. Your attention is directed to Assurance number 5 which states "[The City] will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in the grant agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor."

The subject property was acquired for airport development. We understand that the City approved an airport development contract on May 14, 2008, that includes proposed aeronautical development of this and other airport property.

Based on this information, the FAA will not grant the City a release of the subject 14.7 acre parcel. The basis for this denial is FAA's opinion that the subject property is still needed for the aeronautical purposes for which it was acquired.

If you desire further information, please contact Mr. Mark McClardy, Manager, Airports Division, at (310) 725-3600.

Sincerely,

Original Signed By
William C. Withycombe

William C. Withycombe
Regional Administrator

cc: Gary Cathey, Acting Division Chief, CALTRANS Division of Aeronautics

bcc: LAX-600

AWP-600

LAX-600:BArmstrong:X3644:BQA:6/5/08