



AIRCRAFT OWNERS AND PILOTS ASSOCIATION

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June 5, 2006

Honorable James Wood
Mayor of City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

Dear Mayor Wood:

The Aircraft Owners and Pilots Association (AOPA) understands that on Wednesday, June 7, 2006, the City Council will consider adoption of a new rental fee structure for hangars and tiedowns at Oceanside Airport (OKB) due to a budget shortfall. However, the City of Oceanside is already eligible for a FAA grant of \$150,000 this fiscal year that would alleviate the need for your projected hangar and tie-down rental increases in order to cover the expected deficit, whether real or artificial, at the airport.

Further, there is a specific aviation industry process established that is used to set the appropriate level of rental fees. It surely appears that city airport management has not followed that process. It is our strong belief that the fees proposed for adoption by Council are unreasonable and violate Federal Aviation Administration (FAA) Grant Assurances, which require all airport related rates and charges to be reasonable. These same assurances require that all revenue generated on the airport be dedicated to airport related operations and maintenance. While the FAA looks to an airport sponsor to make every effort to make the airport as self-sufficient as practical when possible, they also require financial plans to be reasonable.

AOPA has over 67 years of experience in dealing with issues such as those at OKB. It is our experience that a like-sized airport to OKB should, at the very least, be at a financial break-even point. More often than not, these like-size airports are self-sufficient and establishing financial reserves for airport maintenance projects.

The FAA has already approved the airport's capital development plan and funding is available for these maintenance projects. Accepting the FAA's Airport Improvement Program (AIP) development funds would relieve the City from expending 100% of the costs of maintenance projects at OKB and placing an onerous rate increase on the tenants.

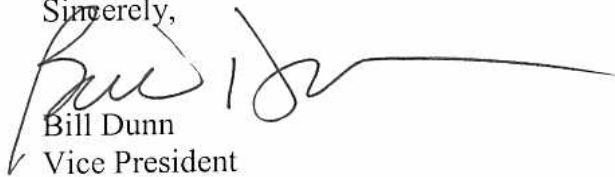
It is our hope that Council will defer taking any drastic action to increase the rates and charges for hangars and tiedowns at Oceanside Airport until such time that the appropriate process has been completed. Implementing the newly proposed rental rates without having established the reasonableness of the increase in accordance with the FAA grant assurances would not be in the best interest of the City and could have serious financial consequences for the City. I am sure you and your new City Attorney would prefer to avoid these types of problems.

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Additionally, I will be in Oceanside at the end of this month and I am hopeful we can discuss this and other airport matters further in person. Representatives from the FAA's Regional Airports Division will be accompanying me on this visit to the airport.

If you would like to discuss this matter further, please feel free to contact me at 301-695-2205 or by e-mail at bill.dunn@aopa.org.

Sincerely,



Bill Dunn
Vice President
Airports

cc: Councilmember Shari Mackin
Councilmember Rocky Chavez
Councilmember Jack Feller
Councilmember Esther Sanchez
Tony Garcia, FAA