



JERRY SANDERS
MAYOR

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MAY 27 2009

May 25, 2009

Honorable Kenneth So
Presiding Judge
San Diego County Superior Court
Main Courthouse, Third Floor
220 West Broadway
San Diego, CA 92101

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MAY 27 2009
SAN DIEGO
COUNTY GRAND JURY

Dear Judge So:

Subject: 2008-2009 San Diego Grand Jury Report entitled "Brown Field Municipal Airport (SDM)".

Pursuant to California Penal Code §933.05(a), (b), and (c), the City of San Diego provides the following responses to the findings and recommendations in the above-entitled Grand Jury Report.

The "Discussion" section of this report briefly describes the history and planned resolution of Brown Field's non-aviation uses and states, "The FAA has agreed to extend the occupancy of three of the seventeen (non-aviation tenants) for another three years on a month-to-month basis." To clarify this issue, it should be noted that an agreement was subsequently reached between the City and the FAA (Federal Aviation Administration) that allowed non-aviation activities on the airport's north side to remain for up to three years, while prohibiting those near Sikorsky Street on the airport's south side. The agreement does not address the actual number of tenants that are allowed to remain. In accordance with that agreement, the City evicted all non-aviation uses near Sikorsky Street on March 17, 2009, and renewed month-to-month permits on the north side for all but two non-aviation tenants, who were also evicted.

Additionally, Fact 3 states that "At least one eviction has resulted in a charge of approximately \$300,000 to the Airport Enterprise Fund for remediation of environmental harm caused by the tenant." As clarification, the \$300,000 charge to the Airports Enterprise Fund was for the removal of organic compost left behind by a tenant in bankruptcy, rather than for the remediation of environmental harm caused by an evicted tenant.

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Below I have provided a response to the finding and recommendation in your report.

Finding 1: The City may face additional financial liability for environmental cleanup costs when the remaining non-aeronautical-use tenants are forced to leave the site.

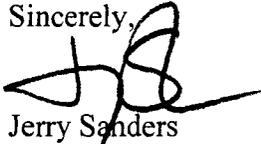
Agree.

Recommendation 09-01: "Require the remaining non-aeronautical-use tenants at Brown Field to contribute to an environmental remediation trust account under the auspices of the Airport Enterprise Fund to be used in the event that a cleanup is required. Future leases should also include a similar provision as a condition of the lease."

Response: This recommendation has been implemented. Within the Airports Division Fiscal Year 2010 Budget, there is a reserve fund of \$3,209,275, funded by airport lease revenues, that is maintained for the sole purpose of dealing with contingencies such as unanticipated environmental remediation on airport property.

Thank you for your interest in the City of San Diego Airports. Please contact Mike Tussey, Deputy Director of Airports Division, at (858) 573-1441 or at mtussey@sandiego.gov should you have any questions.

Sincerely,



Jerry Sanders
MAYOR

cc: San Diego County Grand Jury
City Council
City Attorney
Chief Operating Officer
Assistant Chief Operating Officer
Deputy Chief Operating Officer, Public Works
Administration Department Director
City Clerk