



AIRPORT LEASING PROGRAM UPDATE

General Services

Airport Commission
June 9, 2022

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BACKGROUND

1. The Riverside Municipal Airport (Airport) routinely solicits for and negotiates new leases and agreements in order to ensure new and continuous revenue sources for the Airport.
2. There are currently 160 existing leases:
 1. 17 Aircraft tie-downs
 2. 97 Hangars
 3. 24 Commercial office/hangar
 4. 22 Commercial Ground



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DISCUSSION

1. Subject to City Council approval, the proposed leasing program update continues the authority for the Airport Manager to negotiate terms, incentives, maintenance responsibilities and other factors with prospective tenants.
2. All leases and agreements beyond a month-to-month period will continue to be approved by City Council.
3. The updated leasing program also clarifies the process for the City to provide written consent to subleases.



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AIRPORT LEASE RATES

1. A recent survey of 15 surrounding general aviation airports confirmed that the proposed lease rates are commensurate with regional airports for office space, hangars, aircraft tie-downs, and land.
2. The survey insight is in line with Federal Aviation Administration (FAA) regulations which require that airport rental rates be applied in a fair and equitable basis.



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PROPOSED UPDATES

Proposed Updates include:

1. Increase in hangar rental rates of approximately 8%.
2. Expansion of sub-letting restrictions.
3. Clarification of non-aviation businesses to include month-to-month agreements only.
4. Introduction of a one-year warranty for HVAC system.
5. Requirement for tenant to obtain Special Event Permit from City for applicable activities.



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STRATEGIC PLAN ALIGNMENT

Economic Opportunity

Goal 3.1 Facilitate partnerships and programs to develop, attract and retain innovative business sectors.

Cross-Cutting Threads



Community Trust



Fiscal Responsibility



Sustainability & Resiliency



Equity



Innovation



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RECOMMENDATIONS

That the Airport Commission:

1. Review and provide feedback on the proposed update to the Airport Leasing Program for City-owned property at the Riverside Municipal Airport, and
2. Request staff bring forth any specific language recommendations along with a corresponding resolution to the full City Council for discussion.



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