



Airport Commission

City of Arts & Innovation

TO: AIRPORT COMMISSION **DATE: SEPTEMBER 14, 2023**
FROM: GENERAL SERVICES DEPARTMENT **WARD: 3**
SUBJECT: RECOMMEND THAT CITY COUNCIL CONSIDER AN INCREASE TO THE RIVERSIDE MUNICIPAL AIRPORT FUEL FLOWAGE FEE

ISSUE:

Recommend that City Council consider an increase to the Riverside Municipal Airport Fuel Flowage Fee.

RECOMMENDATIONS:

That the Airport Commission recommend City Council consider an increase to the Riverside Municipal Airport Fuel Flowage Fee.

BACKGROUND:

Riverside Municipal Airport has charged a Fuel Flowage Fee since 1981. The Airport does not charge aircraft landing fees, as do most commercial-service airports. At General Aviation airports, aircraft operators do not have operating agreements in place with the Airport; thus, collecting landing fees from these operators would be extremely difficult. Rather, to offset the expense of providing a safe and secure airfield to aircraft, the Airport charges a Fuel Flowage Fee, as do most General Aviation airports. The Fuel Flowage Fee concept operates on the assumption that as aircraft utilize the airfield (runways and taxiways, navigational aids, etc.), with pilots often purchasing fuel at the airport. Through the Fuel Flowage Fee the Airport is provided the opportunity to pay for a small portion of airfield maintenance and management.

DISCUSSION:

Fuel Flowage Fees are collected per gallon of fuel sold by the two fuel providers on the Airport – RAS Jetport and Raincross Fuel. The collected fees are then remitted to the Airport on a monthly basis.

The current Fuel Flowage Fee of \$0.05 per gallon of aviation fuel sold (both Jet-A and AvGas) has remained constant since August 1, 2015. Due to the increased cost of ensuring a safe and secure airfield, including staffing costs, pavement maintenance costs, vegetation maintenance costs, etc., the Airport is proposing to increase the Fuel Flowage Fee to \$.10 per gallon of

aviation fuel sold, effective December 1, 2023.

The proposed Fuel Flowage Fee rate is in alignment to comparably sized municipal airports in the Southern California region as follows:

Airport	Fuel Flowage Fee Per Gallon
San Bernardino City	\$0.10
Redlands	\$0.06
Riverside County Airport	\$0.12*
San Bernardino County	\$0.06

*discounted to \$0.10/gallon if paid within 20 days

In the most recent fiscal year, Fuel Flowage Fee revenues were \$23,709.50, based on 244,996 total gallons of aviation fuel. With a \$0.10 Fuel Flowage Fee, and based on historical levels of fuel sold, the Airport estimates this will generate an additional \$23,709.50 in Fiscal year 2023-24.

STRATEGIC PLAN ALIGNMENT:

This Fuel Flowage Fee increase contributes to Strategic Priority No. 5 *High Performing Government*.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. Community Trust – Charging adequately for services and facilities rendered, while also being fully transparent regarding user charges, contributes to community trust of airport management.
2. Equity – All aircraft, whether based or transient, will pay a share of utilizing the airfield if purchasing fuel at Riverside Municipal Airport.
3. Fiscal Responsibility – By increasing the Fuel Flowage Fee, additional personnel can be hired, and equipment purchased to maintain the airfield in a safe and secure manner.
4. Innovation – Rather than charging landing fees, Fuel Flowage Fees are an innovative method to capture fees to support airfield maintenance and management.
5. Sustainability and Resiliency – All Fuel Flowage Fees will be utilized to support sustainable and resilient airfield management practices.

FISCAL IMPACT:

There is no fiscal impact associated with receiving this report.

Prepared by: Daniel Prather, Airport Manager