



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 25, 2025

FROM: AIRPORT DEPARTMENT WARD: 3

SUBJECT: AIRPORT ACCESS AGREEMENT WITH CALIFORNIA BAPTIST UNIVERSITY
FOR ESTIMATED REVENUE OF \$90,139.80 FOR A FIVE-YEAR TERM ENDING
SEPTEMBER 30, 2029

ISSUE:

Approve an Airport Access Agreement with California Baptist University for a total estimated revenue amount of \$90,139.80 for a five-year term of October 1, 2024 through September 30, 2029.

RECOMMENDATIONS:

That the City Council:

1. Approve a Riverside Municipal Airport Access Agreement with California Baptist University for a total estimated revenue amount of \$90,139.80 to the Airport Department revenue account, for a five-year term ending September 30, 2029; and
2. Authorize the City Manager, or his designee, to execute the Airport Access Agreement with California Baptist University, including making minor and non-substantive changes.

BACKGROUND:

On October 1, 2019, the City Council approved Approve an Airport Access Agreement with California Baptist University for a five-year term of October 1, 2019, through September 30, 2024. The access fee is adjusted each year in to reflect the percentage increase, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor for most recent 12-month published index, based upon the corresponding increase, if any, in the Index as it stands on May of that year over the Index as it stood on May of the prior year.

On November 2014, the City Council approved a Lease Agreement for California Baptist University (CBU) to operate a flight school as part of the University's curriculum at the Riverside Municipal Airport (Airport). CBU has since expanded their aircraft fleet from six aircraft to approximately 14, with plans to further expand the fleet.

DISCUSSION:

With the tremendous growth in demand for flight training, the CBU aviation department determined a need to perform their own maintenance, and subsequently required an aircraft hangar. CBU subsequently entered into an agreement with an off-airport private party for the use of an aircraft hangar that provides direct access to the Riverside Municipal Airport runway/taxiway complex.

To comply with Federal Aviation Administration (FAA) grant assurances, airports are required to enter into an Airport Access Agreement. The agreement stipulates in part that the entity desiring access must comply with the airport's rules and regulations, is non-competitive with on-airport aviation businesses, and must pay an access fee equal to the rate for equivalent space on the airport.

The access fee was negotiated by the Riverside Municipal Airport with the FAA is set in accordance with Resolution No. 23403. The FAA further requires the initial agreement term to not exceed five years, but the agreement can be renegotiated at expiration.

The proposed Airport Access Agreement includes FAA-approved conditions, restrictions, rates and terms.

STRATEGIC PLAN ALIGNMENT:

This Lease Agreement supports Strategic Priority No. 3 Economic Opportunity and Goal No. 3.1 - Facilitate partnerships and programs to develop, attract and retain innovative business sectors.

This item aligns with EACH of the Cross-Cutting Threads of the City's Strategic Plan as described below:

1. **Community Trust** – City Council approval and Airport Commission discussion of this Lease Agreement demonstrates the Airport's commitment to the community and Airport users by ensuring transparency.
2. **Equity** – Retaining an established business at the Riverside Municipal Airport benefits the entire community.
3. **Fiscal Responsibility** – This Lease Agreement will continue to generate fair market value rent revenue.
4. **Innovation** – This Lease Agreement demonstrates the City's business - friendly approach to retaining a valued tenant.
5. **Sustainability & Resiliency** – This Lease Agreement will ensure that the Airport is in full occupancy of leasing space and furthering the Airport's sustainability as a self-supporting enterprise fund.

FISCAL IMPACT:

The fiscal impact of this action is \$90,139.80 over the five-year term of the agreement. Revenue will be deposited in the Airport Fund, Airport Building & Ground Rental revenue account 0000530-346120.

Prepared by:	Daniel Prather, Airport Manager
Approved by:	Daniel Prather, Airport Manager
Certified as to availability of funds:	Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by:	Rafael Guzman, Assistant City Manager
Approved as to form:	Jack Liu, Interim City Attorney
Attachments:	Agreement