



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 6, 2024
FROM: GENERAL SERVICES DEPARTMENT WARD: 3
SUBJECT: APPROVE AN INCREASE TO THE RIVERSIDE MUNICIPAL AIRPORT FUEL FLOWAGE FEE

ISSUE:

Approve an increase to the Riverside Municipal Airport Fuel Flowage Fee from \$0.05 to \$0.10 per gallon.

RECOMMENDATION:

That the City Council approve an increase to the Riverside Municipal Airport Fuel Flowage Fee from \$0.05 to \$0.10 per gallon.

COMMISSION RECOMMENDATION:

On December 14, 2023, the Airport Commission heard and recommended increasing the Riverside Municipal Airport Fuel Flowage Fee from \$0.05 to \$0.10 per gallon.

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 for 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, taxiways, navigational aids, etc. pilots often purchase fuel at the airport. Through the Fuel Flowage Fee, the Airport is provided with 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 at 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 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 March 1, 2024.

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*, and Goal 5.4 – Achieve and maintain financial health by addressing gaps between revenues and expenditures and aligning resources with strategic priorities to yield the greatest impact.

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:

The estimated fiscal impact related to the increased fuel flowage fees is approximately \$23,710. The revenue will be deposited into the Airport Fund, Airport Gasoline revenue account 0000530-346300.

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