



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: OCTOBER 6, 2015**

FROM: GENERAL SERVICES DEPARTMENT **WARD: 3**

SUBJECT: FIRST AMENDMENT TO GROUND LEASE AGREEMENT WITH CALIFORNIA AVIATION SERVICES, INC.

ISSUE:

The issue for City Council consideration is approval of the First Amendment to the Airport Lease Agreement with California Aviation Services, Inc., for relocation and placement of one hangar from Rialto Municipal Airport to Riverside Municipal Airport.

RECOMMENDATIONS:

That the City Council:

1. Approve the First Amendment to the Airport Lease Agreement with California Aviation Services, Inc.; and
2. Authorize the City Manager or his designee to execute the First Amendment including making minor non-substantive changes.

BACKGROUND:

On September 18, 2014 the Rialto Municipal Airport (Rialto Airport) closed and agreed to relocate its aircraft hangar tenants to surrounding airports at the City of Rialto's expense as required by the Federal Aviation Administration. Riverside Municipal Airport currently has seven new tenants relocated from the Rialto Airport.

California Aviation Services, Inc. (CAS) has been a Riverside Municipal Airport tenant since 1999 and currently offers flight training for fixed-wing and rotary wing aircraft. On August 11, 2015 the City Council approved a 10-year ground lease with CAS, with one five year option, at \$130.63 per month for 4,125 square feet to accommodate the relocation of a hangar from the Rialto Airport.

During construction, CAS and their contractor determined additional land would be needed to accommodate the new hangar. The total leased area will increase from 4,125 square feet to 5,775 square feet. Approval of this Amendment will increase revenue from \$130.63 to \$182.88 per month, with annual CPI increases thereafter. A minor aircraft maintenance utility fee of \$35.00 will be added for a monthly total of \$217.88.

FISCAL IMPACT:

There is no cost to the Riverside Municipal Airport for relocation and placement of this hangar. The First Amendment to the Airport Lease Agreement will generate approximately \$39,218 for the Riverside Municipal Airport during the term of this agreement.

Prepared by:	Kris Martinez, General Services Director
Certified as to the	
Availability of funds:	Brent A. Mason, Finance Director/Treasurer
Approved by:	Deanna Lorson, Assistant City Manager
Approved as to form:	Gary G. Geuss, City Attorney