



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 1, 2019

FROM: GENERAL SERVICES DEPARTMENT WARD: 3

SUBJECT: AIRPORT ACCESS AGREEMENT WITH CALIFORNIA BAPTIST UNIVERSITY
FOR ESTIMATED REVENUE OF \$71,400 FOR A FIVE YEAR TERM ENDING
SEPTEMBER 30, 2024

ISSUES:

Approve an Airport Access Agreement with California Baptist University for a total estimated revenue amount of \$71,400 for a five year term of October 1, 2019 through September 30, 2024.

RECOMMENDATIONS:

That the City Council:

1. Approve a Riverside Municipal Airport Access Agreement with California Baptist University for a total estimated revenue amount of \$71,400 to the General Services Department Airport revenue account, for a five year term ending September 30, 2024; 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:

In 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 proposed access fee was negotiated by the Riverside Municipal Airport with the FAA over a period of three months, and is set in accordance with Resolution No. 23403. The fee proposed in the agreement is at the standard rate of \$0.34 per square foot of the 3,500 square foot CBU hangar space, totaling \$1,190 per month or \$71,400 over the five-year term of the agreement.

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.

FISCAL IMPACT:

The fiscal impact of this action is \$71,400 in estimated lease revenue to General Services Department Airport Building & Ground Rental account 0000530-346120 for the five year term of October 1, 2019 through September 30, 2024.

Prepared by:	Carl Carey, General Services Director
Certified as to	
Availability of funds:	Edward Enriquez, Chief Financial Officer/City Treasurer
Approved by:	Moises Lopez, Deputy City Manager
Approved as to form:	Gary G. Geuss, City Attorney

Attachment:	Airport Access Agreement
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