



*City of Arts & Innovation*

# City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 22, 2019

FROM: GENERAL SERVICES DEPARTMENT WARD: 3

SUBJECT: NON-EXCLUSIVE LICENSE AGREEMENT WITH BLACKSTONE AIRWAYS, LLC, TO OPERATE ON-DEMAND CHARTER FLIGHTS AT RIVERSIDE MUNICIPAL AIRPORT FOR A TWO YEAR TERM WITH TWO ADDITIONAL TWO YEAR OPTIONS TO EXTEND

## **ISSUES:**

Approve a Non-Exclusive License Agreement with Blackstone Airways, LLC, to operate on-demand charter flights at the Riverside Municipal Airport for a two year term with two additional two year options to extend.

## **RECOMMENDATIONS:**

That the City Council:

1. Approve a Non-Exclusive License Agreement with Blackstone Airways, LLC, to operate on-demand charter flights at the Riverside Municipal Airport for a two year term with two additional two year options to extend; and
2. Authorize the City Manager, or his designee to execute the Non-Exclusive License Agreement with Blackstone Airways, LLC, including making minor and non-substantive changes.

## **BACKGROUND:**

As a premier general aviation airport, the Riverside Municipal Airport (Airport) is an ideal facility for on-demand charter flights to west coast destinations. In 2007, the Airport was the home base for a regional airline, flying local residents to Bullhead City, Nevada, and Phoenix, Arizona. However, following the economic downturn of 2008, those flights were canceled.

## **DISCUSSION:**

Blackstone Airways, LLC, is a start-up airline that desires to operate on-demand air charter operations from the Airport. Blackstone Airways, LLC, operates under Code of Federal

Regulations 14 CFR Part 135, allowing the airline to conduct on-demand charter flights with aircraft capable of seating nine or fewer passengers. Blackstone Airways, LLC, proposes to accommodate passenger ticketing and baggage handling from the Airport Terminal.

Based on the size of aircraft to be used for these flights and the maximum number of passengers on each aircraft, Transportation Security Administration (TSA) rules for screening commonly seen at commercial airports is not required. TSA rules require that the airline is responsible for all screening procedures, the security of the passengers, baggage, and any cargo flown.

Blackstone Airways, LLC, will be assessed a landing fee of \$100 per flight for piston aircraft and \$150 per flight for turbine engine aircraft. Revenue projections are based on two piston aircraft flights per week, for an estimated revenue of \$10,400 annually. A survey of several airports showed that the landing fees are within market for similar passenger flight operations:

- Santa Barbara Municipal Airport - \$85 per flight
- Sacramento Executive Airport - \$115 per flight
- San Carlos Airport - \$125 per flight

**FISCAL IMPACT:**

The estimated fiscal impact of this action is \$10,400 in annual licensing revenue. All revenues will be deposited into the General Services Department Airport Landing & Tie Down account 0000530-346200.

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

Attachment: Non-Exclusive License Agreement – Blackstone Airways, LLC