



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: FEBRUARY 6, 2024
FROM: GENERAL SERVICES DEPARTMENT WARD: 3
SUBJECT: ACCEPTANCE OF ONE (1) 1,058 SQUARE-FOOT AIRCRAFT HANGAR
VALUED IN THE AMOUNT OF \$30,000 LOCATED AT THE RIVERSIDE
MUNICIPAL AIRPORT

ISSUE:

Accept the donation of one (1) 1,058 square-foot aircraft hangar, valued in the amount of \$30,000, located at the Riverside Municipal Airport.

RECOMMENDATIONS:

That the City Council:

1. Authorize the acceptance of one (1) donated 1,058 square-foot aircraft hangar, valued in the amount of \$30,000, as a gift to the Riverside Municipal Airport; and
2. Authorize the Chief Financial Officer, or his designee, to execute the bill of sale.

COMMISSION RECOMMENDATION:

On February 8, 2024, the Airport Commission will hear this item and provide a recommendation regarding City Council approval of the donated aircraft hangar.

BACKGROUND:

On September 18, 2014, the Rialto Municipal Airport permanently ceased operations. Rialto Municipal Airport tenants were required to move their privately owned aircraft hangars off-site, or the hangars would be demolished as part of the repurposing of the airport property for a newly planned redevelopment project consisting of 1,439-acres of homes and a business center.

A total of nine (9) aircraft hangars were relocated from Rialto Municipal Airport to the Riverside Municipal Airport (Airport) in 2014. Hangar F3, currently owned by Mr. Lauren Young, was one of the Rialto hangars relocated to the Airport. A month-to-month ground lease was signed between Mr. Young and the Airport on August 14, 2014, and the hangar was placed on Airport property.

DISCUSSION:

On July 8, 2022, Mr. Young sent a letter to the Airport Manager informing airport management of his intent to terminate his lease and donate his hangar to the Airport. His lease was terminated as requested, while airport staff worked through the process of valuing the hangar and developing a written bill of sale. Staff used comparable values for similarly sized aircraft hangars, including researching various websites and local hangar sales to arrive at the estimated valuation of \$30,000.

The City's Minor Donation Acceptance Policy number 06.011.00 allows for the acceptance of donations of cash and real or personal property when they have a purpose consistent with the City's goals and objectives and are in the best interest of Riverside. As this donation is valued at over \$25,000, City Council approval is required, as outlined in the policy referenced above.

If accepted, the donated hangar will become City property and will be leased to a new tenant at the rate of \$391.46 per month, plus \$15 per month in utilities. This will generate additional revenues for the Airport enterprise fund.

STRATEGIC PLAN ALIGNMENT:

The acceptance of this donated aircraft hangar supports Envision Riverside Strategic Priority Infrastructure, Mobility & Connectivity, and Strategic Goal 6.2, Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

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

1. **Community Trust** – By accepting this gift, airport tenants will trust that a gift of property will be used wisely by the Airport.
2. **Equity** – Entering into month-to-month ground leases for hangars relocated from another airport and then allowing a tenant to terminate their ground lease with a gift of property creates an equitable atmosphere at the Airport.
3. **Fiscal Responsibility** – By assessing reasonable ground lease and hangar rental rates, the Airport has demonstrated intent to be fiscally responsible for facility use and airport funds.
4. **Innovation** – Making innovative options available to tenants, including donations, allows for the Airport to grow assets in an innovative manner.
5. **Sustainability and Resiliency** – The Airport continues operating in a sustainable and resilient manner, which produces benefits for tenants and allows the hangar wait list to be reduced as newly gifted hangars become available for lease.

FISCAL IMPACT:

The lease termination will result in a temporary loss of lease revenue. Once newly leased, the donated hangar will potentially generate an additional \$391.46 per month in revenue, plus \$15 per month in utilities, totaling \$4,877.52 annually. The hangar donation will increase the total assets value of the Airport by \$30,000.

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| Prepared by: | Daniel Prather, Airport Manager |
| Approved by: | Carl Carey, General Services Director |
| Certified as to | |
| Availability of funds: | Kristie Thomas, Finance Director/Assistant Chief Financial Officer |
| Approved by: | Edward Enriquez, Assistant City Manager/Chief Financial Officer/ Treasurer |
| Approved as to form: | Phaedra A. Norton, City Attorney |
| Attachment: | Bill of Sale |