



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 5, 2024
FROM: AIRPORT DEPARTMENT WARD: 3
SUBJECT: SUPPLEMENTAL AGREEMENT TO FEDERAL AVIATION ADMINISTRATION
BUILDING LEASE TO REOCCUPY THE FLIGHT STANDARDS DISTRICT
OFFICE BUILDING

ISSUE:

Supplemental Agreement to Federal Aviation Administration Building Lease to reoccupy the Flight Standards District Office Building.

RECOMMENDATION:

That the City Council authorize the execution of Supplemental Agreement No. 3 to Federal Aviation Administration (FAA) Contract No. DTFAWN-13-L-00082.

BACKGROUND:

On August 27, 2013, the City Council approved a lease agreement with the Federal Aviation Administration for an approximately 9,500-square-foot building at the Riverside Municipal Airport located at 6951 Flight Road.

In early September 2023, during an exterior inspection of the airport building housing the FAA FSDO, significant structural concerns were noted. After consultation with General Services and a General Contractor, the decision was made to vacate the building until repairs could be completed. The Airport provided the terminal conference room and an office to temporarily house FAA personnel.

On January 16, 2024, City Council approved a Supplemental Agreement to Federal Aviation Administration Building Lease due to repairs to Flight Standards District Office Building.

On November 14, 2024, staff will provide an update on this item to the Airport Commission.

DISCUSSION:

The FSDO Building located at 6961 Flight Road, Riverside, California 92504 was closed on September 19, 2023 due to structural damage. The building was safe to reoccupy on September 15, 2024.

The Airport accepts the return of the temporary space located at 6951 Flight Road, Riverside, CA 92504 in "as is" condition.

The monthly rental fee will be adjusted to reflect the return from the temporary space to the permanent space for the month of September. Beginning on October 1, 2024, the monthly rental fee will return to \$12,382.08.

Monthly Rent:	
September 1-14, 2024,	\$705.74
September 15-30, 2024,	\$6,603.84
October 1, 2024, Through September 30, 2028,	\$12,382.08

By accepting the rent in the form of a supplemental agreement, the FAA and airport will continue a mutually beneficial business relationship while repairs are made to their office building.

STRATEGIC PLAN ALIGNMENT:

The supplemental agreement no. 3 to FAA contract no. DTFAWN-13-L-00082 contributes to Strategic Priority 6 – Infrastructure, Mobility & Connectivity, 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 also aligns with each of the five Cross-Cutting Threads, as follows:

1. **Community Trust** – City Council approval and Airport Commission discussion of this Lease Agreement demonstrates the Airport’s commitment to the community and Airport users by ensuring transparency.
2. **Equity** – Retaining an established business at the Riverside Municipal Airport benefits the entire community.
3. **Fiscal Responsibility** – This Lease Agreement will continue to generate fair market value rent revenue.
4. **Innovation** – This Lease Agreement demonstrates the City's business - friendly approach to retaining a valued tenant.
5. **Sustainability and Resiliency** – This Lease Agreement will ensure that the Airport is in full occupancy of hangar space and furthering the Airport’s sustainability as a self-supporting enterprise fund.

FISCAL IMPACT:

The fiscal impact of this action is an increase in rental revenue in the amount of \$12,382.08 per month from October 1, 2024, through September 30, 2028, and \$7,309.58 for the month of September 2024. Revenue will be deposited into the Airport Fund, Airport Building & Ground Rental revenue account 0000530-346120.

Prepared by: Daniel Prather, Airport Manager
Certified as to
Availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Jack Liu, Interim City Attorney

Attachment: Supplemental Agreement