



# Airport Commission

*City of Arts & Innovation*

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**TO: AIRPORT COMMISSIONERS**

**DATE: NOVEMBER 9, 2023**

**FROM: GENERAL SERVICES DEPARTMENT**

**WARD: 3**

**SUBJECT: RECEIVE AND FILE A REPORT ON THE DEVELOPMENT OF AIRPORT PROPERTY LOCATED ON THE WESTSIDE OF RUNWAY 34**

**ISSUE:**

Receive and file a report on the development of Airport property located on the westside of Runway 34.

**RECOMMENDATIONS:**

That the Airport Commission receive and file a report on the development of Airport property located on the westside of Runway 34.

**BACKGROUND:**

The airfield at Riverside Municipal Airport includes approximately 18 acres of undeveloped land located on the westside of Runway 34. Currently the Airport has a 100% occupancy of aircraft hangars and a potential tenant waitlist of 15 – 25 individuals highlighting the demand for hangar development on the Airport. Previous efforts to develop the westside of the airport have occurred with the development(s) failing to come to fruition.

In December 2005, City Council approved a Lease Agreement between the City of Riverside and Riverside Aviation One, LLC for the development of approximately 18 acres of land at the southwest corner of Riverside Municipal Airport. Construction for a 140 aircraft hangar development, an associated aircraft apron, and fuel farm began in 2007. The project was not completed and in 2009, the contractor sought to terminate the Lease Agreement with the City. The lease termination was granted in 2010.

In April 2015, the Airport issued a competitive Request for Proposals (RFP) No. 1502 to continue development of the 18 acres of land at the southwest corner of the Airport. One proposal was received and staff commenced negotiation with Riverside Executive Airpark, LLC, which led to the proposed lease terms. Following several months of negotiations between Riverside Executive Airport, LLC and prospective tenants, the project was terminated. No formal agreement between the City and Riverside Executive Airport, LLC was executed.

In January 2018, the Airport issued another competitive Request for Proposals (RFP) No. 1762

for the development of the same 18 acres of land at Riverside Municipal Airport. Proposals were due February 15, 2018, and one proposal was received. Staff commenced negotiation with NextGen Flight Academy, Inc. resulting in a Lease Agreement. Construction was scheduled to begin in April 2019 and the Developer requested a six-month extension to allow additional time to secure funding. The extension request was granted and expired on October 30, 2019. No construction was completed with the City and Developer agreeing to cancel the Agreement in December 2019.

## **DISCUSSION:**

The 18 acres of undeveloped land on the westside of Riverside Municipal Airport is appropriate for future aeronautical development. The aviation facilities developed may include aircraft hangars, aircraft maintenance facilities, a fuel farm, a Fixed Base Operator, and aircraft ramp parking.

A number of airport tenants have approached airport staff with a desire to construct hangars and a fuel farm on the westside. To ensure that all interested parties are provided the opportunity to propose on this land, a Request for Proposals (RFP) will be issued. Interested tenants and developers will be able to submit proposals in response to the RFP for staff consideration of submitted design concepts. The Airport anticipates selecting one or multiple firms to develop the +/- 18 acres, either in full or in no less than 3 acres of leased area.

## **STRATEGIC PLAN ALIGNMENT:**

The development of Airport property on the westside of Runway 35 contributes to Strategic Priority No. 5 *High Performing Government*.

This item aligns with EACH of the five Cross-Cutting Threads as follows:

1. Community Trust – Generating an RFP for the development of the Westside will allow any interested developers to propose.
2. Equity – By issuing the RFP and subjecting all interested parties to the same scope of services and selection process, equity is ensured.
3. Fiscal Responsibility – The RFP will contribute to continued financial self-sufficiency by generating additional ground lease revenue and fuel flowage fee revenue.
4. Innovation – Issuing an RFP with broad scope of services will allow developers the ability to submit innovative design concepts for the westside.
5. Sustainability and Resiliency – Developing land on the westside will contribute to airport resiliency and sustainability.

**FISCAL IMPACT:**

There is no fiscal impact associated with receiving this report.

Prepared by: Daniel Prather, Airport Manager