



City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: AUGUST 19, 2025

FROM: AIRPORT WARD: 3

SUBJECT: FIRST AMENDMENT TO RIVERSIDE MUNICIPAL AIRPORT LEASE AGREEMENT WITH L3HARRIS TECHNOLOGIES, INC. WITH ESTIMATED REVENUE OF \$187.50 AND A ONE-YEAR TERM

ISSUE:

Approve First Amendment to Riverside Municipal Airport Lease Agreement with L3Harris Technologies, Inc. for a total estimated revenue amount of \$187.50 for a one-year term, with the option to extend lease agreement on an annual basis through September 30, 2045.

RECOMMENDATIONS:

That the City Council:

1. Approve First Amendment to Riverside Municipal Airport Lease Agreement with L3Harris Technologies, Inc. for a total estimated revenue amount of \$187.50 to the Airport Department revenue account, for a one-year term, with the option to extend lease agreement on annual basis through September 30, 2045; and
2. Authorize the City Manager, or his designee, to execute the amendment to lease agreement with L3Harris Technologies, Inc., including making minor and non-substantive changes.

BACKGROUND:

On April 20, 2010, the City Council approved a lease agreement between ITT Corporation and The Riverside Municipal Airport. The purpose of the lease agreement was for use to install, operate, repair, replace and remove ITT radio site equipment, in support of FAA Contract DTFWA-07-C-00067, issued to ITT on August 30, 2007. The initial term of the lease agreement was for a period of ten (10) years commencing May 1, 2010, and terminating on May 1, 2020, with the option to extend from year to year for a final expiration date of September 30, 2025.

Original Lessee divested into Exelis Inc. effective October 31, 2011, Exelis Inc. then merged with and into Harris Corporation effective as of December 31, 2015, and Harris Corporation changed its name to L3Harris Technologies, Inc. effective as of June 29, 2019.

DISCUSSION:

L3Harris Technologies, Inc. currently leases 625 square feet of airport land. This amendment will extend their lease agreement and add monthly rent to ensure that the Airport is in full occupancy of leasing space and furthering the Airport's sustainability as a self-supporting enterprise fund.

The first amendment to the lease agreement will terminate on September 30, 2030. The Agreement will automatically renew for up to four additional five-year terms starting October 1, 2030, unless the Tenant gives at least 120 days' notice of non-renewal. After these terms, L3Harris has the option to extend the lease annually, subject to City approval. The lease will automatically renew each year unless the City provides 365 days' notice of non-approval, or L3Harris provides at least 30 days' written notice of non-renewal. All extensions to the lease will terminate no later than September 30, 2050, unless ended earlier.

Monthly rent shall be adjusted each year commencing with the payment due on August 1, 2026, by three percent (3%), to reflect the percentage increase, but not to exceed three percent, if any, in the Consumer Price Index for All Urban Consumers (CPI-U) for the Riverside-San Bernardino-Ontario Standard Metropolitan Statistical Area ("Index") published by the Bureau of Labor Statistics of the United States Department of Labor for most recent 12-month published index, based upon the corresponding increase, if any, in the Index as it stands on May of that year over the Index as it stood on May of the prior year including utilities therefore, but excluding telephone and janitorial services, or two percent whichever is greater.

FISCAL IMPACT:

The fiscal impact of this action is an estimated annual revenue of \$187.50. The first amendment and future extensions will implement incremental increases tied to Consumer Price Index increases not to exceed 3%. Revenue will be deposited into the Airport Fund, Airport Building & Ground Rental revenue account 0000530-346120.

Prepared by:	Daniel Prather, Airport Manager
Approved 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:	Rebecca McKee-Reimbold, Interim City Attorney
Attachment:	Agreement