



## City Council Agenda Item

**City Council Meeting Date:** June 21, 2022

**TO:** Dean Albro, City Manager

**FROM:** Richard Fernbaugh, Aviation/Transportation Administrator  
r\_fernbaugh@ci.lompoc.ca.us

**SUBJECT:** Hangar and Tie-Down Rental Rate Adjustments at Lompoc Airport;  
Adoption of Resolution No. 6514(22)

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### **Recommendation:**

Staff recommends the City Council:

- 1) Receive staff input, take public comment; and
- 2) Adopt Resolution No. 6514(22) which sets fees for hangar and tie-down rentals at the Lompoc Airport effective July 1, 2022 (attached).

### **Background:**

At the January 16, 2018, City Council Meeting, the City Council adopted Resolution No. 6151(18) which adjusted rental fees at the Lompoc Airport for both hangars and tie-down areas over fiscal years 2017-2018 and 2018-2019. The final rental fee adjustment became effective July 1, 2019.

The Airport budget is faced with ongoing financial challenges. In order to develop and maintain a reserve for future infrastructure needs such as, runway and taxiway relighting, overlays, fencing and security needs, as well as building and other repair needs, rental rates periodically need to be adjusted.

Currently, City-owned hangar rates are below market rate as evidenced by the rental rate of \$304 to \$451 per month. Monthly hangar rates in Santa Barbara are \$875 per month; Santa Ynez – \$385-\$460 per month; Camarillo – \$363-\$891 per month; San Luis Obispo – \$396-\$620 per month; and Santa Maria – \$234-\$445 per month. Unlike the Lompoc Airport, the Santa Maria Airport receives unsecured property tax revenues, which help it to rely less than Lompoc does on rental rates for income.

**Discussion:**

Resolution No. 6514(22) would provide monthly rental fees to increase approximately 5%, effective July 1, 2022, and approximately another 5% effective July 1, 2023, for City-owned hangars. Monthly fees for tie-downs would increase by approximately 5% effective July 1, 2022, and another 5% effective July 1, 2023. The proposed increases will put City owned T-hangars in the \$320 to \$428 range, effective July 1, 2022, which keeps the Airport in a competitive range for the surrounding area and will also provide additional funds for future Airport projects. There are currently no hangar vacancies (Airport owned or private) at the Airport with a waiting list of eight.

Resolution No. 6514(22) would also continue to authorize the Aviation/Transportation Administrator to sign contracts and other documents needed to implement that fee structure; provided, that such documents are in a form acceptable to the City Attorney.

**Fiscal Impact:**

As an enterprise fund, the Airport is a standalone entity with revenues derived from Airport operations used to pay for Airport expenses. No General Fund resources are used to subsidize the Airport. Rentals of Airport property (buildings and grounds) are a primary source of revenue for the Airport to sustain operations. Rental revenues, as well as revenue from fuel sales and short and long-term leases, are the primary funding sources for operations at the Airport. Hangar and tie-down rental revenue accounted for approximately 27% of all Airport operating revenues in FY 2020-21, and \$242,678 is currently budgeted for hangar and tie-down rental revenue in FY 2022-23.

Accumulated fund balances (net revenues in excess of Airport expenses) from Airport operations are the primary source of local matches needed to support capital improvement grants obtained from the Federal Aviation Administration to further the Airport's long-range master plan. The proposed rental adjustments are estimated to generate approximately \$12,000 in additional revenue in FY 2022-23 and then again in FY 2023-24, which will help to continue a reliable revenue stream for the Airport.

Following are the rental rate changes as proposed in Resolution No. 6514(22):

<b>City-Owned Hangars – Monthly Rates Hangars</b>	<b>Square Footage of Hangar (Approx.)</b>	<b>Current</b>	<b>Effective July 1, 2022</b>	<b>Effective July 1, 2023</b>
A/B 2,3,4,5	885	\$304	\$320	\$335
C/D 2,3,4,5	1,000	\$340	\$357	\$375

<b>City-Owned Hangars – Monthly Rates</b> Hangars	Square Footage of Hangar (Approx.)	Current	Effective July 1, 2022	Effective July 1, 2023
A/B 1,6	1,035	\$353	\$370	\$390
C/D 1,6	1,160	\$389	\$408	\$428
E 600 - 662	1,488	\$451	\$473	\$498

<b>Tie-Downs</b> Type of Aircraft	Current <b>Monthly</b> Rate	Effective July 1, 2022	Effective July 1, 2023
Single-Engine	\$73	\$77	\$80
Twin-Engine	\$83	\$87	\$91
Type of Aircraft	Current <b>Daily</b> Rate	Effective July 1, 2022	Effective July 1, 2023
Single-Engine	\$12	\$13	\$14
Twin-Engine	\$14	\$15	\$16

<b>Privately-Owned Hangars – Monthly Rate</b>	Approx. Square Footage	Current	Effective July 1, 2022	Effective July 1, 2023
Very Small (1)	729	\$123	\$129	\$136
Small (10)	1,100	\$166	\$174	\$183
Medium (2)	1,500	\$183	\$192	\$202
Large (2)	2,000	\$197	\$207	\$217

**Conclusion:**

Adoption of Resolution No. 6514(22) will assist the Airport in maintaining a positive cash flow and allow it to better fund required local matches for federal grant awards. The Airport Commission is not charged with the duty to make recommendations on Airport rates and charges, and therefore did not take any action on this item.

Respectfully submitted,

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Richard Fernbaugh, Aviation/Transportation Administrator

**APPROVED FOR SUBMITTAL TO THE CITY MANAGER:**

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Michael W. Luther, P.E., Public Works Director

June 21, 2022  
Hangar and Tie-Down Rental Rate Adjustments  
Page 2 of 2

**APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:**

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Dean Albro, City Manager

Attachment: Resolution No. 6514(22)