



City Council Agenda Item

City Council Meeting Date: June 17, 2025

TO: Dean Albro, City Manager

FROM: Richard Fernbaugh, Transit/Airport Administrator
r_fernbaugh@ci.lompoc.ca.us

SUBJECT: Adoption of Resolution No. 6760(25) Amending Hangar and Tie-Down Rental Rates at Lompoc Airport

Recommendation:

Staff recommends the City Council adopt Resolution No. 6760(25) amending rates for hangar and tie-down rentals at the Lompoc Airport effective July 1, 2025 (attached).

Background:

At the July 16, 2024, City Council Meeting, the City Council adopted Resolution No. 6684(24), which adjusted rental fees at the Lompoc Airport for both hangars and tie-down areas over fiscal year (FY) 2024-25, and became effective August 1, 2024.

The Airport budget continues to be faced with financial challenges. In order to develop and maintain a reserve for future infrastructure needs such as hangar rehabilitation and security needs, as well as building and other repair needs, rental rates periodically need to be adjusted.

Currently, City owned hangars range from \$351 – \$522 monthly, averaging at a cost of 38 cents per square foot. Monthly Hangar rates in Santa Barbara average 83 cents per square foot; Santa Maria¹, Camarillo, and Santa Ynez average 40 cents per square foot, and San Luis Obispo averages 45 cents per square foot. Staff recommends a rate increase to bring Lompoc Airport rates in line with surrounding airports at 40 cents per square foot.

Discussion:

Resolution No. 6760(25) would increase monthly rental fees by approximately 3%, effective July 1, 2025, for City-owned hangars. Monthly fees for tie-downs would increase by approximately 3% effective July 1, 2025. The proposed increases will put City owned T-hangars in the \$362 to \$539 range, effective July 1, 2025, which keeps the Airport in a competitive range for the surrounding area and will also provide for repayment of existing

¹ Unlike 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.

loans as well as additional funds for future Airport projects. There is currently one Airport owned hangar vacancy at the Airport with a waiting list of six interested parties.

Resolution No. 6760(25) would also continue to authorize the Aviation/Transportation Administrator to sign contracts and other documents needed to implement the new fee structure provided that such contracts and 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. Rental revenues, as well as revenue from fuel sales, are the primary funding sources for operations at the Airport. Hangar and tie-down rental revenue accounted for approximately 24% of all Airport operating revenues in FY 2024-25, with \$279,363 budgeted for hangar and tie-down rental revenue in FY 2025-26.

Accumulated fund balances (net revenues in excess of Airport expenses) from Airport operations are the primary source of local matches required 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 \$8,381 in additional revenue in FY 2025-26.

Following are the proposed rental rate adjustments:

City-Owned Hanger – Monthly Rates Hangars	Square Footage of Hangar (Approx.)	Current	Effective July 1, 2025	Non-Air Worthy Aircraft service fee 30%
A/B 2,3,4,5	885	\$351	\$362	\$109
C/D 2,3,4,5	1,000	\$393	\$406	\$122

City-Owned Hanger – Monthly Rates Hangars	Square Footage of Hangar (Approx.)	Current	Effective July 1, 2025	Non-Air Worthy Aircraft service fee 30%
A/B 1,6	1,035	\$409	\$422	\$127
C/D 1,6	1,160	\$448	\$462	\$139
E 600 – 662	1,488	\$522	\$539	\$162

Tie- Downs Type of Aircraft	Current Monthly Rate	Effective July 1, 2025
Single - Engine	\$84	\$87
Twin - Engine	\$96	\$99
Type of Aircraft	Current Daily Rate	Effective July 1, 2025
Single - Engine	\$15	\$16
Twin - Engine	\$17	\$18

Privately- Owned Hangars- Monthly Rates	Square Footage of Hangar (Approx.)	Current	Effective July 1, 2025
Very Small (1)	729	\$143	\$148
Small (10)	1,100	\$192	\$198
Medium (2)	1,500	\$212	\$219
Large (2)	2,000	\$227	\$234

Conclusion:

Adoption of Resolution No. 6760(25) will assist the Airport in maintaining a positive cash flow, repay existing loans, and allow it to fund required local matches for future 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,

Richard Fernbaugh, Transit/Airport Administrator

APPROVED FOR SUBMITTAL TO THE CITY MANAGER:

Craig Dierling, P.E., Interim Public Works Director

APPROVED FOR SUBMITTAL TO THE CITY COUNCIL:

Dean Albro, City Manager

Attachment: Resolution No. 6760(25)