



# Agenda Report

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**Agenda of:** August 12, 2025

**Department:** Airport

**Subject:** Discussion and possible action on hangar rental rate adjustments for the Castroville Municipal Airport.

## Recommended Motion:

I move to approve a 2.7% increase to the Castroville Municipal Airport hangar rental rates, effective October 1, 2025, in alignment with the June 2025 Consumer Price Index (CPI-U) and to support the Airport's anticipated operational and capital needs.

## Background:

Each year, the Airport conducts a review to determine whether hangar rental rates should be adjusted or remain unchanged. This determination is based on two primary factors:

1. Consumer Price Index (CPI) – used as a benchmark for inflation.
2. Projected Operational and Capital Needs – to ensure adequate funding for upcoming maintenance and improvement projects.

At present, the Airport is in a strong financial position; however, several significant projects are planned for the near future that will require careful financial planning.

## Discussion

To ensure the Airport remains sustainable and competitive, staff is requesting City Council's input on whether hangar rates should be increased and, if so, by what amount.

As a reference point, the CPI-U for June 2025 reflects a 12-month increase of 2.7%. This figure can serve as a benchmark for potential rate adjustments. Council may wish to:

- Maintain current hangar rates with no increase.
- Adjust rates in line with the 2.7% CPI-U increase.
- Adjust rates by a different percentage.

Any change will directly impact the Airport's ability to fund upcoming projects, maintain existing infrastructure, and remain competitive with other regional airports.

**Fiscal Impact:** N/A

☐ **Budgeted**   ☐ **Requires Budget Amendment**

**Source of Funding:** Account Code: N/A

**Attachments:**

**Urgency (0-5 = Low Urgency to High Urgency): 5**

**Impact (0-5 = Low Impact to High Impact): 4**

**Submitted by:** Breana Soto