

April 15, 2026

**MEMORANDUM**  
**Executive Summary of Findings and Recommendations**  
**Lake Havasu City Municipal Airport (HII)**

The AGP review concludes that HII's governance, leasing, and commercial aeronautical service framework should be modernized through a unified administrative structure that strengthens sponsor control, aligns lease obligations with current airport operations, and improves FAA defensibility, revenue integrity, and long-range asset management.

**KEY FINDINGS**

HII should adopt integrated Airport Rules and Regulations and Minimum Standards for Commercial Aeronautical Activities so that operating rules, access requirements, and commercial service standards are administered through one coherent airport framework rather than dispersed among ordinance, leases, and informal practice. The existing Fixed Based Operators and aeronautical service lease agreements for Sites 1, 2, 3, 4, and 6 are not operationally uniform and no longer reflect the Airport's present operating ecosystem. The on-site examination indicates the Airport is presently functioning with active Fixed Based Operator leases, with certain services being performed through subtenants or related arrangements, while several lease-required services appear duplicative or not calibrated to actual market conditions and demand. The Airport Leasing Policy, standard lease templates, rates-and-charges methodology, CPI escalation provisions, and subleasing controls should be revised and standardized to improve transparency, economic nondiscrimination, and successor-lease decision-making. These recommendations, while reconciling administrative clarity, do provide an opportunity to maximize the relationships with the current and any new Airport business entities, incentivizing new investments and development that would also directly benefit the Airport enterprise fund and indirectly, the community.

**PRIORITY RECOMMENDATIONS**

- Issue updated Rules and Regulations, Minimum Standards, and a unified Airport Leasing Policy with standardized lease forms, renewal criteria, subleasing controls, insurance standards, and investment-for-term provisions.
- Undertake a coordinated lease modernization program for the FBO and aeronautical service sites so that essential services are defined at the airport-wide level and assigned rationally among operators. Required services should be aligned with actual demand and may be satisfied through approved subleases, subcontractors, or related-party operating arrangements only where expressly authorized and subject to City approval, audit, and enforcement authority.
- Standardize rent escalation, market revalidation, and extension criteria through fair-market-rent support, facility-condition review, remaining useful life, and measurable reinvestment obligations.



## LEASE EXPIRATION AND IMPLEMENTATION ACTIONS

At lease expiration, the City should avoid automatic continuation of legacy arrangements and instead require market revalidation, written findings supporting FAA defensibility, and documented determination as to whether the appropriate path is a negotiated successor lease, a competitive solicitation, or redevelopment. Either of these options provide the City and the Airport discretion, and any lease extension should be conditioned on reinvestment, facility condition requirements, continued public benefit, and consistency with Airport planning objectives.

The on-site examination further supports a coordinated modernization of the FBOs leases so that required services are aligned with actual airport demand and the current business structure. Rather than continuing overlapping legacy service obligations by leasehold and site, the City should define the essential aeronautical services needed at the airport level and assign responsibility through lease, minimum standards, and approved operating arrangements in a manner that preserves sponsor control. Also, the on-site examination reflected that there is an opportunity for the Airport to create safer, and more efficient ramp operational management that could result in increased revenue to the Airport by establishing dedicated ramp areas under ground lease.

While such service provisioning is consistent with industry best practices at other similar general aviation airports, the City should clarify by policy and lease form whether required services may be satisfied through approved subleases, subcontractors, or related-party operators, while keeping the primary leaseholder fully responsible for compliance and preserving Airport approval, audit, consent, and enforcement authority. In addition, the vacant development parcels identified during the on-site examination should be evaluated at a feasibility level so that future lease, investment, and redevelopment decisions support stronger land utilization and long-term financial self-sustainability for the Airport enterprise fund. Considerations where Airport capital is invested in infrastructure and evaluating public vs private development risk and return. Immediate implementation should therefore focus on adopting Minimum Standards and updated Rules and Regulations, revising the leasing policy and standard lease templates, formalizing service-delivery and subleasing authority, and establishing an expiration framework tied to market validation, reinvestment, and operational need.

