



STAFF REPORT

DATE: 03/19/2025
TO: Honorable Mayor and City Council Members
FROM: Economic Development Department

2025-107

REQUEST FOR CITY COUNCIL ACTION

SUBJECT:

CITY COUNCIL CONSIDERATION OF A SUBLEASE AGREEMENT BETWEEN CORONA EXECUTIVE HANGARS AND ALVAREZ CUSTOM COVERS TO OPERATE AN INTERIOR UPHOLSTERY FABRICATION AND INSTALLATION BUSINESS AT THE CORONA MUNICIPAL AIRPORT

EXECUTIVE SUMMARY:

This staff report asks Council to approve a sublease agreement between Alvarez Custom Covers, an airplane upholstery fabrication and installation business and Corona Executive Hangars at the Corona Municipal Airport.

RECOMMENDED ACTION:

That the City Council:

- a. Approve a Sublease Agreement between Corona Executive Hangars and Alvarez Custom Covers.
- b. Recommend to the U.S. Army Corps of Engineers (USACOE) approval of the request by Corona Executive Hangars to permit Alvarez Custom Covers to establish this business at the Corona Municipal Airport.

BACKGROUND & HISTORY:

The City of Corona (City) holds a recreational lease with the United States Army Corps of Engineers (USACOE) for the acreage that makes up the Corona Municipal Airport. The total leasable space consists of hangars, offices, buildings, aircraft tie-downs, and a fueling station. The leasable space is apportioned into seven (7) separate parcels and subleased to three (3) master sub-lease holders as follows:

- a. Parcel I is leased to CW Transportation
- b. Parcel II & VI is leased to Diamond Aero Corporation
- c. Parcels III, IV, and V are leased to Corona Executive Hangars.

Each of these master leaseholders is authorized to utilize the premises solely for parking, storing, tying down, maintenance, and repair of aircraft, as well as other lawful aviation-based purposes incidental thereto. Any other users must go through the two-step approval process noted in Section 3.13 and Corona Municipal Code 4.12.020, which requires approval from the City Council and USACOE prior to operating any commercial establishment at the airport.

ANALYSIS:

Section 4.12 of the Corona Municipal Code requires City Council approval to enter into new business subleases at the Corona Municipal Airport. The proposed business, airplane upholstery fabrication and maintenance, is an airport-related use and therefore permissible, subject to City of Corona and USACOE approval and subject to the business agreeing to comply with all applicable regulations.

Corona Executive Hangars has assured staff that Alvaraz Custom Covers will abide by all laws, rules, and regulations of the governmental entities with authority over the Corona Municipal Airport in the operations of its business. Upon obtaining approval from the USACOE, Alvaraz Custom Covers will obtain a City of Corona Business License and the required insurance naming the City of Corona and USACOE as additional insureds.

FINANCIAL IMPACT:

This action will not impact the City's Airport Fund. Corona Executive Hangars will receive the revenues generated by this agreement.

ENVIRONMENTAL ANALYSIS:

No environmental review is required because the proposed action is not a project governed by the California Environmental Quality Act.

PREPARED BY: JOEL BELDING, ECONOMIC DEVELOPMENT DIRECTOR

REVIEWED BY: JUSTIN TUCKER, ASSISTANT CITY MANAGER

ATTACHMENTS:

1. Exhibit 1 – Letter from Alvarez Custom Covers

