



**STAFF REPORT
HOLLISTER CITY COUNCIL
MEETING DATE: November 3, 2025
REPORT # Airport-2025-27**

AGENDA ITEM: RECEIVE THE RATES AND FEES STUDY FOR THE HOLLISTER MUNICIPAL AIRPORT AND PRESENTATION BY ASCENSION GROUP PARTNERS

DEPARTMENT: Airport

DEPARTMENT HEAD: Jeff Crechriou, Airport Director

STAFF CONTACT: Jeff Crechriou, Airport Director

RECOMMENDED ACTION: Receive the Rates and Fees Study for the Hollister Municipal Airport and presentation by Ascension Group Partners and provide feedback to staff.

DISCUSSION: In the fall of 2024, the Airport desired to conduct a Rates & Fees Study. Ascension Group Partners (AGP) of Long Beach, California, was selected and entered into a contract beginning on March 1, 2025.

Introduction of AGP:

AGP is an aviation development, consulting, and management firm with more than 150 years of combined industry experience serving airports, especially GA facilities, and their tenants. The firm's mission centers on delivering premier, practical solutions across development, consulting, and property/project management for airports, operators, FBOs/SASOs, and municipalities.

AGP's GA specialty spans policy and advocacy through facility development. On the consulting side, the team has led minimum standards updates, rates and charges studies, competitive solicitations, and financial evaluations. On the development side, AGP manages hangar developments in Southern California and nationwide.

AGP also operates and oversees premier GA leaseholds at Long Beach, Van Nuys, Santa Monica, and Dallas Love Field, bringing a blend of local service and national expertise to day-to-day property, project, and program management. The firm is led by President/CEO Curt Castagna, with 40+ years in GA development, consulting, and management, who also serves as President/CEO of the National Air Transportation Association (NATA). Industry expert Ryan Leick, PhD, CM draws on operational experience from his career in airline management and insight acquired educating aviation professionals to advise the aviation industry on practical solutions supporting sustainable airport development.

Consultant Report Summary:

The Rates and Fees Study (Study) provides a survey of a peer set of airports and financial pro forma for decision makers to see how pricing options and development opportunities support the Airport's long-term sustainability goals.

Market average and ranges are not universally applicable, and it is ultimately up to

Hollister Airport how opportunities to raise revenue through fees are implemented, given the local conditions at CVH. A transparent, predictable approach to rate-setting, using market comparability and cost-recovery principles is recommended but market rates should inform, not dictate, the City's rate setting method. The study proposes a modest adjustment to the Airport fee schedule that standardizes existing charges with potential new fees.

The report also highlights opportunities to grow aeronautical activity that will strengthen the Airport's own financial position and importance to the region as a driver of economic development. Rate increases alone will not achieve self-sufficiency. As such, the pro forma incorporates assumptions on future ground lease developments that have the potential to offset the need for increased or new fees. However, the Airport will likely require short-term loans to bridge the Sponsor's required contribution for the Federal Aviation Administration (FAA) Funded Airport Capital Improvement Projects (ACIP) planned through FY 2028, with repayment supported by aeronautical revenue growth from fees and development.

Airport Director Observations:

The Airport is not self-sufficient in that it currently does not generate enough revenue to pay for the operations, maintenance of the Airport assets (buildings & hangars), and accumulate funds for the grant match obligations of the high value FAA Funded ACIP projects. As a result, the need to generate more revenue exists.

The Study finds that the rates for main revenue generating categories such as hangar rent and ground lease are substantially higher than those rates of the peer set of airports. The Airport is unique in its ability to generate revenue and to maintain and grow sustainable businesses, both aviation and non-aviation. The Airport is not currently a destination Airport. Adding new fees and/or increasing existing rates and fees may be a deterrent for itinerant aviation operators to choose to utilize the airport and for based tenants (pilots and businesses) to remain at the airport.

Self-sufficiency can be achieved through maximizing ground lease development opportunities, Through the Fence Access Permits and Airport Use Agreements, and when feasible, the Airport/City building more hangar units. The Airport has many long-term tenants with leases that increase annually by Consumer Price Index (CPI) adjustments. As the revenue generation increases, the various lease rates should be reviewed for a market rate reset.

FISCAL IMPACT: N/A

PREVIOUS COUNCIL OR COMMISSION ACTION: The Hollister Airport Advisory Commission received the Hollister Municipal Airport Rates and Fees Study and presentation by AGP, took public comment, and Commissioners asked questions of AGP and the Airport Director at their regular meeting of August 13, 2025.

CEQA: N/A

ATTACHMENTS:

1. Hollister Municipal Airport Rates & Fees Study