



CITY COUNCIL STAFF REPORT

ITEM NO. 6.11

DATE: December 8, 2025

TO: Honorable Mayor and City Council

FROM: Benny Stuth, Airport Manager

SUBJECT: Resolution authorizing signing of an Estoppel Certificate and Agreement, Leasehold Addendum for Leasehold Financing, and Sub-Leasehold Addendum for financing for Five Rivers LLC, Fremont Bank, and other authorized lenders as applicable.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution authorizing the City Manager to sign the Estoppel Certificate and Agreement, Leasehold Addendum for Leasehold Financing, and Sub-Leasehold Addendum for Financing, with Five Rivers Aviation, LLC, Fremont Bank, and any other lenders for Small Business Association Loan TMC to restructure current financing and secure more favorable financing terms.

DECISION TYPE

Administrative

SUMMARY

Five Rivers Aviation LLC (Lessee), a fixed base operator providing pilot support services, facilities, and fueling at the Livermore Airport, has requested the City of Livermore (City) give approval to refinance construction loans originally used to develop its facilities under a 2013 ground lease with the City of Livermore.

The proposed refinancing, to be facilitated through Fremont Bank and supported by a Small Business Administration TMC Loan, will allow the Lessee to secure more favorable loan terms. This refinancing will not alter the City's existing lease terms or financial obligations but will help ensure continued financial stability and quality of services at the airport.

City Council approval is required because the improvements are located on City-leased property, and lender agreements must include City consent under the lease provisions.

DISCUSSION

In 2013, the City entered into a long-term ground lease with the Lessee for the construction and operation of a Fixed Base Operation (FBO) at Livermore Airport. The FBO provides essential services to airport users, primarily aircraft fueling, hangar facilities, flight planning and meeting spaces, and other support operations for both business and private aviation.

The Lessee completed construction of its facilities under the terms of that lease and financed these improvements through loans underwritten by Fremont Bank. Five Rivers has now requested City approval to restructure and refinance those existing construction loans to obtain better loan terms through a Small Business Administration TMC Loan.

Because the improvements are located on City-leased land, the consent of the City is required to finalize the refinancing. In response, the City has requested additional protections as part of its consent to the refinancing. These include extending the lender's notification period from thirty (30) to sixty (60) days in the event of a default by the Master Lessee and allowing the City to assume daily operations of the FBO if necessary to maintain uninterrupted service for airport users. These conditions are inclusive of all other prior conditions and agreements established with the Master Lessor.

These measures ensure the City's interests are protected and that the airport continues to operate safely and efficiently for the public, even in the unlikely event of a borrower default.

FISCAL AND ADMINISTRATIVE IMPACTS

None.

COMMUNITY PILLAR

5: A City That Works

GOAL

14: Develop, operate, and maintain the City's infrastructure

ATTACHMENTS

1. Resolution
2. Exhibit A - Estoppel Certificate and Agreement
3. Exhibit B - Leasehold Addendum Agreement
4. Exhibit C - Subleasehold Addendum

Prepared by: Benedict Stuth
Airport Manager

Approved by:



Marianna A. Burch
City Manager

Fiscal Review by:



Tina Olson
Administrative Services Director