

FALLBROOK AIRPARK ADVISORY COMMITTEE
February 2, 2015

REAL PROPERTY MOTION ITEM
Jackson-Hartley, a general partnership
Proposed New Agricultural Lease



Jackson-Hartley, a general partnership (“Jackson-Harley”) currently leases approximately 16.25 acres from the County at Fallbrook Community Airpark, Fallbrook, California, under an agreement that is scheduled to terminate June 30, 2015 (see above map). The area is used as an avocado grove. This compatible use, adjacent to the aviation facilities at the airport, provides revenue to the Airport Enterprise Fund which is used for operation and maintenance of the County Airport system.

County and Jackson-Hartley have negotiated terms for a new agricultural lease that would allow Jackson-Hartley to diversify the grove to include avocados and/or other crops such as, but not limited to, Clementine tangerines, macadamias, persimmons,

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and dragon fruit. The proposed use would also allow for vine crops. Jackson-Hartley would have the right to install a water well and/or construct and operate a farm stand if all necessary approvals were obtained in advance. An additional area would be added to the lease as a possible location for the water well due to drainage patterns in the area. Jackson-Hartley may form a new business entity (limited liability company or corporation) to run this grove and, if so, the Lease would be entered into in the name of that company.

PROPOSED LEASE

Premises: Proposed Leasehold: approximately 16.463 acres (an increase of 0.213 acres)

Term: Twenty (20) years, beginning July 1, 2015 and ending June 30, 2035

Rent: Based on a percent of gross sales as shown below, with a minimum annual rent of \$3,000

Lease Year(s)	Percentage Rent Amount
1-5	10%
6	11%
7	12%
8	13%
9	14%
10-20	15%

Minimum Capital Investment:

Lessee will be required to remove the existing agricultural improvements, and to plant new tree and vine crops to cover a minimum of 80% of the premises at a minimum cost of \$100,000, within two years from Lease commencement. Lessee may also install a water well and/or farm stand towards this minimum capital investment

Recommended Motion:

“Fallbrook Airpark Advisory Committee recommends the Board of Supervisors approve the proposed Agricultural Ground Lease Agreement with Jackson-Hartley, a General Partnership, or an affiliate company, as recommended by staff.”