

FALLBROOK AIRPARK ADVISORY COMMITTEE
November 7, 2016

MOTION ITEM #5
New Lease with Fallbrook Air Service, Inc., a California corporation



BACKGROUND

On June 16, 1988 County consented to a sublease agreement between Fallbrook Community Airpark, Inc. ("FCA") and Fallbrook Airpark Hangar Services, Inc. ("FAHS"). Following the termination of the airpark lease between County and FCA, on November 5, 1999 the County and FAHS executed an Attornment Agreement, whereby FAHS would continue their possession and use of the premises, subject to the terms and conditions of the sublease, and for the remaining term of the sublease, with County as landlord and FAHS as tenant. On September 13, 2000, the attorned-sublease was amended to revise the premises. On April 20, 2001, FAHS assigned the attorned-sublease to Yvonne Aberle, dba Fallbrook Air Service, and on December 13, 2002, Yvonne Aberle assigned the attorned-sublease to Fallbrook Air Service, Inc., a California corporation ("Lessee").

The attorned-sublease is scheduled to terminate on December 23, 2018. Lessee has requested a new 20-year lease agreement.

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PROPOSED LEASE

- Premises: 3.71 acres
- Term: 20 years, commencing on February 1, 2017 and terminating on January 31, 2037. This is an additional term of 18.1 years beyond the existing termination date of December 23, 2018.
- Equity Payment: \$202,300 to be paid to County within 30 days of Board approval of the proposed lease.
- Rent: \$1,614 per month (based on projected market rent of \$435 per acre per month)
- Minimum Capital Investment: \$335,755 (based on standard rate of \$5,000 per acre per year of additional term). The proposed capital projects and deadlines the County gives preliminary agreement to include:
- (1) 68 solar panels (14,808 W AC) by January 31, 2018;
 - (2) roof and west wall insulation in hangars, Building 1, Units 1-6, by January 31, 2020;
 - (3) electrically-powered motorized doors on hangars in Building 1, Units 1-6, by January 31, 2021.

To meet the remaining minimum Capital Improvement Requirement, Lessee can add additional project(s) to be completed by January 31, 2022 or make a cash payment to County, equal to any balance remaining.

- Recommended Motion: *“Fallbrook Airpark Advisory Committee recommends the Board of Supervisors approve the proposed Aviation Ground Lease Agreement with Fallbrook Air Service, Inc., a California corporation, as recommended by staff.”*