

FALLBROOK AIRPARK ADVISORY COMMITTEE  
February 6, 2017

REAL PROPERTY MOTION ITEM  
New Agricultural Leases with McDaniel Brothers, LLC



BACKGROUND

The County Lease Administrator approved two new non-aviation leases at Fallbrook Community Airpark ("Airport") with McDaniel Brothers Partnership for the avocado groves, effective May 1, 2000. The south leasehold totaled 21.80 acres and the north leasehold totaled 19.74 acres. Both leaseholds were assigned to McDaniel Brothers, LLC, a California limited liability company, on February 7, 2003. New 10-year agreements were later approved by the County Board of Supervisors, in 2008. The north leasehold was reduced in size, in 2009, to 17.34 acres, to remove trees located within the Building Restriction Line of the Airport. McDaniel Brothers, LLC is now seeking to replace the current leases with new 10-year leases, to provide adequate time for return on investment of planned improvements and longer range planning for crop production.

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Two issues were raised at the last Fallbrook Airpark Advisory Committee meeting related to trees located on the McDaniel's leaseholds. First, a statement was made that the view to the East of the airport from the upper parking lot is obstructed by these trees. The proposed improvements listed below should improve this view. Second, a question was raised regarding the impact of the trees on visibility of the airport beacon on approach. Airport management confirmed with several pilots that the trees do not cause such an obstruction.

PROPOSED LEASES

Premises:           North - 17.34 acres  
                          South - 21.80 acres

Term:                10 years, commencing on August 1, 2017 and terminating on July 31, 2027. This is an additional term of 9.25 years beyond the existing termination date of April 30, 2018.

Rent:                Fifteen Percent (15%) of Net Sales to be paid annually, with a minimum annual guarantee of \$7,500 (South) and \$6,000 (North).

Planned  
Improvements:    Lessee intends to stump approximately Three Hundred (300) trees which are declining on the Premises to increase health of the trees and crop production. South - 200 trees. North - 100 trees. Cost of project is between \$75.00 and \$100.00 per tree, or between \$22,500 and \$30,000.

Recommended  
Motion:            *"Fallbrook Airpark Advisory Committee recommends the Board of Supervisors approve the two proposed Agricultural Ground Lease Agreements with McDaniel Brothers, LLC, a California limited liability company, as recommended by staff."*