

GILLESPIE FIELD DEVELOPMENT COUNCIL

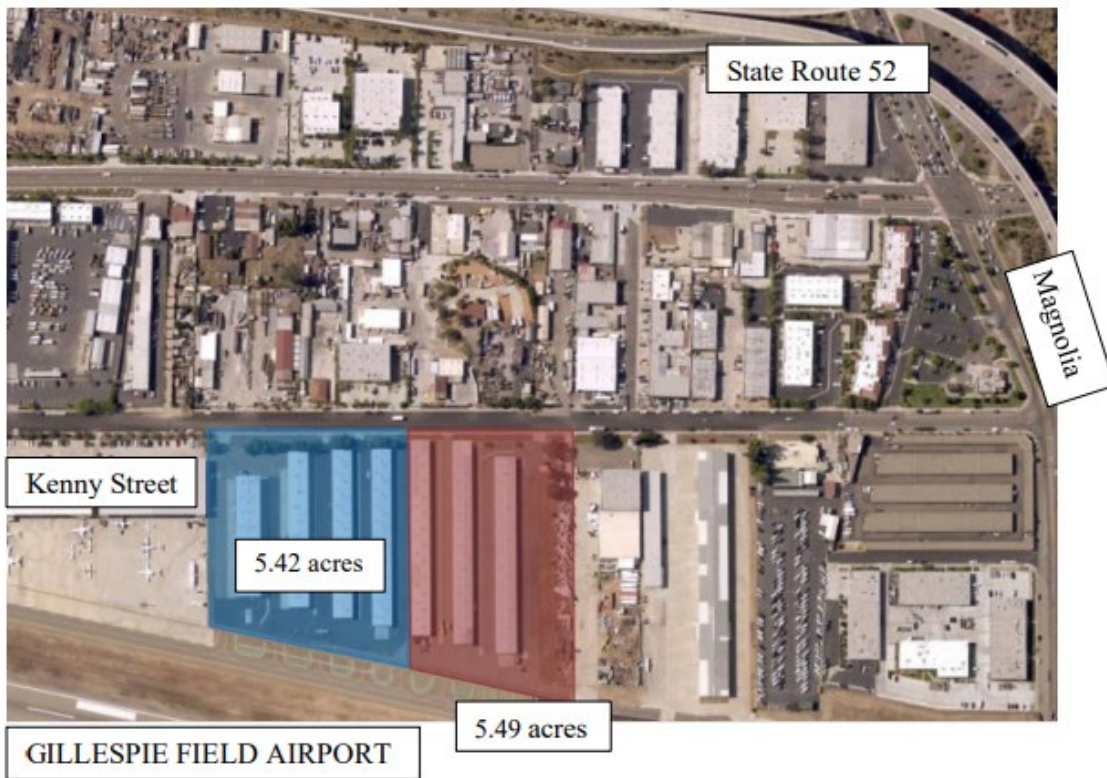
Wednesday, July 16th, 2025

AGENDA ITEM #8

New Aviation Lease

with SkyVisionX Inc., a California Corporation, incorporated on June 24, 2025

425 Kenney Street El Cajon, California 92020



BACKGROUND

There are 19 aviation leaseholds located within the fenced aviation portion of the Airport. One of the largest leaseholds, occupying 10.917 acres, was formerly owned and operated by Master tenant, Sky Harbor Hangars, and reverted to the County for management on August 1, 2020 (Gillespie Field Hangars). The site consists of two parcels (5.42 acres and 5.49 acres), situated on the northeast side of Gillespie Field. The leasehold is improved with seven rows of aircraft storage hangars, varying in size. The Gillespie Field Hangars site was offered for an aviation lease through a competitive process, Request

for Proposals (RFP), on February 21, 2025, with the proposals due on April 18, 2025. The County received five proposals through the RFP. After a competitive evaluation and rating, the County engaged in negotiations with the successful proposer, SkyVisionX, Inc.

The proposal supports airplane storage for small aviation users in alignment with Airport goals and Gillespie Field Development Council (GFDC) recommendations. The company proposes adding two rows of large hangar storage as well, further improving access to the region and supporting local business aviation needs. Lastly, SkyVisionX, Inc. proposes to complete \$9.3M of capital investments enhancing the infrastructure with multiple sustainability features and improving the leasehold for the aviation community as well as adding value to the airport and creating economic impact in the region through property and use taxes. Examples of sustainability elements that the Lessee has agreed to add include solar panels, Light Emitting Diode (LED) lighting, 50% estimated reduction in emissions in new hangar facilities, high-efficiency insulation included in roof upgrades, water conservation and xeriscape landscaping, and electric vehicle charging stations.

This is a request to approve a new 50-year Aviation Lease with SkyVisionX, Inc., pursuant to Government Code Section 25336, which would commence on August 27, 2025, and terminate on August 26, 2075.

PROPOSED LEASE

Base Monthly Rent

SkyVisionX, Inc. will pay the County a total of \$1.4M for the hangar structures already built on the property financed over a period of time, as well as a base monthly rent of \$15,840.57, with periodic rent adjustments at 10-year intervals. Total term is 50 years.

Required Leasehold Improvements

The company has also agreed to invest \$9.3M in capital improvements over a five-year period adding additional value to the leasehold and far exceeding the \$2.7M minimum required capital improvements derived from the Airport's standard leasehold improvement formula. SkyVisionX, Inc. proposes replacing two hangar rows to fit larger private planes to meet the current and future aviation needs at Gillespie Field. Additional improvements include re-surfacing the ramp and taxi lanes of rows A-E, redesigning an area for tie-downs, and modernizing existing hangars to meet current standards, all with a focus on sustainable materials. If approved, the lease will allow SkyVisionX, Inc. to access financing opportunities to support the amortization of their loans. The lease term aligns with FAA Guidance and state law regarding lease terms, which generally recommends that lease term be limited to a period of no more than 50 years, unless a

longer term is necessary to allow for amortization of a substantial investment. If approved, revenues from this lease on airport property would be placed into the County's AEF to be used to develop, operate, maintain, and improve County Airports.

RECOMMENDED MOTION

“Gillespie Field Development Council recommends the Board of Supervisors approve the proposed new 50-year Ground Lease with SkyVisionX, Inc., as recommended by staff.”