

Palomar Airport Advisory Committee
6 Lease Amendments for Scheduled Rent Adjustment Only
July 21, 2022
Agenda Item #5



This item is for the approval of six lease amendments for aviation properties at McClellan-Palomar Airport to adjust rents to market rates as required by the existing lease language. All affected lessees agree with the proposed rent adjustments.

The rental section of each of these leases calls for rent adjustment annually based on the Consumer Price Index and then every 5 years we also look at comparable properties to determine if a market-based adjustment is warranted. The market analysis indicated an upward adjustment of approximately 1% is warranted for these leases for the current adjustments, which will be effective between July 1, 2022, and January 1, 2023, as shown in the following table. This limited increase reflects the impacts of Covid and increasing fuel costs on the aviation industry.

The table below shows that four of these leases are typical aviation ground leases. The civic helipad property is leased as improved with pavement and therefore rents at a higher rate per acre. The Atlantic property is located atop the closed landfill and therefore cannot be improved with buildings or structures, making it less valuable.

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 (continued)

Contract/Lessee	Adj. Date	Current Rent Per Month	Proposed Rent Per Month	Change Per Year	Notes
104566 / Palomar Airport Road 2006, LLC (CJC)	7/1/2022	\$13,879	\$14,051	\$2,064	Typical Aviation
104567 / Palomar Airport Road 2006, LLC (CJC)	7/1/2022	\$32,572	\$32,976	\$4,848	Typical Aviation
121934 / Royal Jet, Inc.	8/1/2022	\$3,893	\$3,905	\$132	Typical Aviation
121961 / Civic Helicopters, Inc.	8/1/2022	\$3,240	\$3,249	\$99	Typical Aviation
121962 / Civic Helicopters, Inc.	8/1/2022	\$1,333	\$1,346	\$143	Improved Pavement
75630R / Palomar Airport Center LLC (Atlantic)	1/1/2023	\$7,769	\$7,852	\$498	Located on Closed Landfill
Total(s):		\$752,232	\$760,016	\$7,784	

This is a request for Palomar Airport Advisory Committee to recommend the County Board of Supervisors approve the proposed lease amendments.

Recommended Motion

“Palomar Airport Advisory Committee recommends that the County Board of Supervisors approve the proposed lease amendments with Palomar Airport Center LLC (Contract 75630R), Palomar Airport Road 2006, LLC (Contracts 104566 and 104567), Royal Jet, Inc. (121934), and Civic Helicopters, Inc. (Contracts 121961 and 121962).”