



COUNTY OF SAN DIEGO
DEPARTMENT OF
PUBLIC WORKS

Palomar Airport Advisory Committee

March 19, 2026

Director's Report



Airport System Updates



Financial Report

County Airport Budget

Airport Enterprise Fund (AEF) is self-sustaining

No support received from General Fund or any County fund

Federal grants support capital projects

REVENUE USE RULES

What airport funds can — and cannot — be used for

KEY REQUIREMENT — FAA Grant Assurance 25 (49 U.S.C. § 47107)

Any airport that has accepted AIP grants or PFC authority must use airport revenues exclusively for airport capital or operating costs. Diversion to the general fund is prohibited.



PERMITTED USES

- ✓ Airport operating & maintenance expenses
- ✓ Capital improvements with aeronautical nexus
- ✓ Debt service on airport revenue bonds
- ✓ Reimbursement to County for actual services rendered (documented at cost)
- ✓ Fair market return to sponsor on land/facility investment
- ✓ Ground leases & commercial revenues — if at fair market value
- ✓ Intermodal facilities directly serving air travelers



PROHIBITED USES

- ✗ Transfer to County general fund
- ✗ Subsidizing non-airport government services
- ✗ Below-market leases to non-aviation tenants
- ✗ Infrastructure with no aeronautical nexus
- ✗ Inflated overhead/admin charges from sponsor
- ✗ Any diversion not pre-approved or grandfathered



FAA Enforcement: Violations may result in repayment orders, suspension of future AIP grants, loss of PFC authority, bond covenant triggers, or civil penalties.

Airport Enterprise Funding Sources

Rents & Leases - Aviation & Industrial

Grants & Allocations

Fuel Flowage Royalties & Sales

Parking Revenue

Passenger Facility Charges (PFCs)

Customs Fees

Permits/Misc.

Interest Earned

Landing Fees

Tie down Fees

OPERATING REVENUES (\$M)

Charges for Current Services	\$16.546
Other Operating Revenues	\$121
TOTAL OPERATING REVENUES	\$16.667

NONOPERATING REVENUES (\$M)

Grants	\$7.922
Investment Earnings	\$5.424
TOTAL NONOPERATING	\$13.346

OPERATING EXPENSES (\$M)

Salaries & Employee Benefits	\$6.344
Contracted Services	\$4.791
Depreciation	\$4.150
Repairs & Maintenance	\$3.080
Equipment Rental	\$352
Utilities	\$528
Fuel	\$136
Other	\$1.038
TOTAL OPERATING EXPENSES	\$20.419
<i>Operating Income (Loss)</i>	<i>(\$3.752)</i>

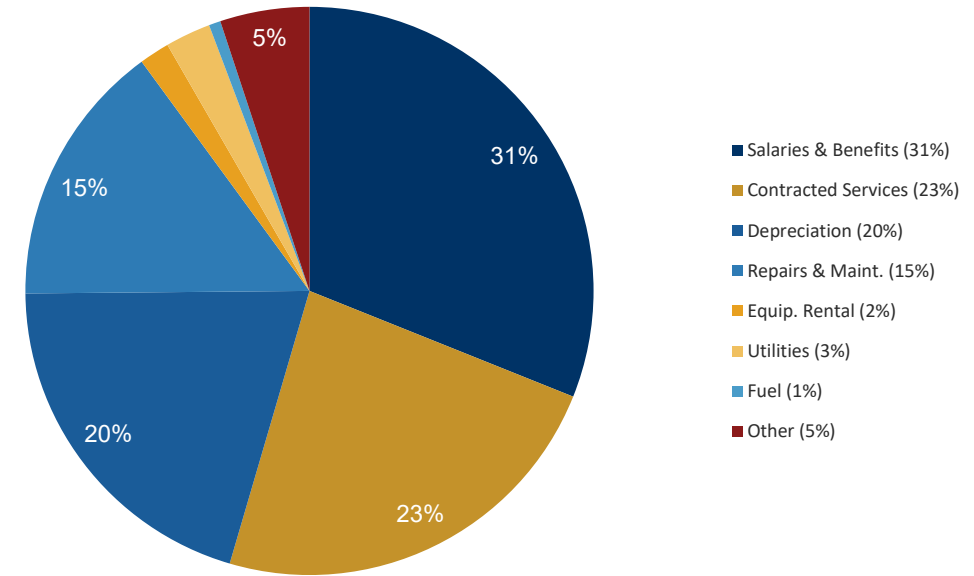
\$16.667M
Total Operating Revenues

\$20.419M
Total Operating Expenses

\$13.346M
Grants & Inv. Earnings

+\$9.451M
Change in Net Position

Operating Expenses by Category



NET POSITION (\$M) — June 30, 2025

\$110.922M Net Invest. in Capital Assets	\$36.692M Unrestricted Net Position	\$147.614M Total Net Position
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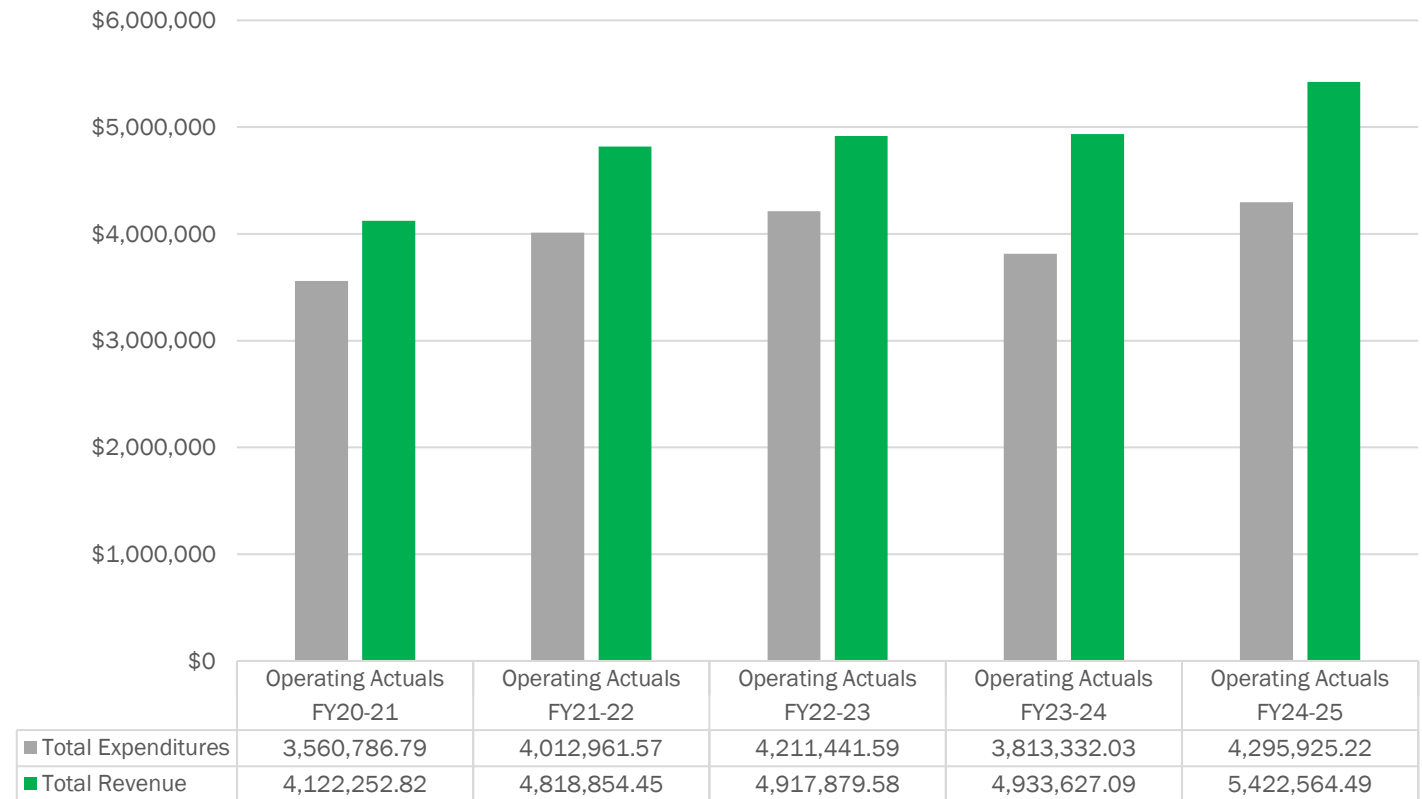
Net Position Change: \$138.163M (restated) → **\$147.614M (+\$9.451M)**

Source: County of San Diego ACFR FY2025 — Proprietary Funds (In Millions)

Palomar Overview

- Each airport shares revenue from the AEF
- Palomar \$5+ million
- Business and aviation leases

Palomar Revenue and Expenditures
FY 20-21 to FY 24-25



Fiscal Year 2024-25

Palomar Expenses

Palomar	Budget	Actuals
Salaries & Benefits	\$ 1,397,666	\$1,308,525
Services & Supplies	\$ 3,798,459	\$ 2,987,400
Major Maintenance	\$1,265,000	\$1,893,471
Depreciation	\$ 1,620,733	\$ 1,626,336
Equipment	\$ 200,000	\$ 0
Total	\$ 8,281,858	\$7,815,732

Fiscal Year 2024-25 Palomar Revenue

Palomar	Budget	Actuals
Rents & Leases	\$ 3,258,920	\$ 3,562,064
Public Services – Permits, Landing Fees, Tie Downs, PFCs, & Fuel Flowage	\$546,300	\$926,288
Federal Aid	\$ 0	\$ 0
Interest	\$ 25,000	\$664
Other Misc	\$40,000	\$7,723
OTC Customs	\$650,000	\$925,825
Total	\$ 4,520,220	\$5,422,564