

PALOMAR AIRPORT ADVISORY COMMITTEE

July 17, 2025
AGENDA ITEM #__

NEW 50-YEAR LEASE FOR PALOMAR AIRPORT ROAD 2006 LLC (FORMERLY KNOWN AS CARLSBAD JET CENTER)



BACKGROUND

Palomar Airport Road 2006 LLC (PAR06), formerly known as Carlsbad Jet Center, currently has 16.5-acre in two aviation ground leases at McClellan-Palomar Airport, commenced on July 1, 2005, as successor in interest of the lease granted to SCIF Palomar LLC, known as County Contracts #104566 and #104567. The leases have been amended multiple times, the most recent amendment approved on April 10, 2024 adding 5 years to all aviation leases. The current termination date of this lease is set for June 30, 2050.

In this leasehold, PAR06 operates a commercial hangar business, establishing a reputation for outstanding safety, hospitality, community engagement, teamwork, innovation, and sustainability. PAR06 also subleases space to other aviation businesses and airplane owners. The leasehold is located on Palomar Airport Road and is improved with multiple buildings that accommodate aircraft storage and aviation services. PAR06 has made significant capital improvements to its leasehold and the cost of those improvements exceeded the required minimum capital improvement amounts.

PROPOSED NEW LEASE

PAR06 is requesting a new lease 50-year lease, extending its occupancy by 25 years and 2 months compared to the current lease's termination date. Today's request is to approve two new 50-year leases with PAR06 that will supersede the existing leases with the same entity, pursuant to Government Code Section 50478. Government Code Section 50478 allows the County to terminate the existing lease and enter into a new lease consistent with the requirements of subdivision (a) of the code, up to a term of 50 years, with the same or a related party, to provide for the addition of improvements to the leasehold for the sustainability of the airport. This new Aviation Lease would commence on September 1, 2025 and terminate on August 31, 2075. Under this new lease, PAR06 intends to invest enhancing mitigations to the environmental impact of aviation in San Diego County, and to improve the safety and reliability of their services.

PAR06 is planning to invest in excess of the required capital improvements. They will invest \$3-5,000,000 to improve safety, security, efficiency and sustainability in the leasehold, which includes the installation of solar energy and the installation of two 20,000-gallon tanks that will allow the lessee to offer Sustainable Aviation Fuel (SAF) to its customers.

The required capital improvements are (\$5,000 per acre per year) = \$5,000 x 15.17 x 16.5 acres = **\$1,251,525**. 70% of this amount, \$876,067.50, represents the amount in capital improvements needed to improve the leaseholds. The remaining 30% of this amount will be \$375,457.50 and paid to the County over the first 10 yrs of the new lease agreement at a 5% interest.

Recommended Motion

"Palomar Airport Advisory Committee" recommends that the County Board of Supervisors approve the proposed new 50-year lease with Palomar Airport Road 2006 LLC.