

**COUNTY OF SAN DIEGO  
BOARD OF SUPERVISORS - Wed  
WEDNESDAY, OCTOBER 16, 2019**

**MINUTE ORDER NO. 7**

**SUBJECT: GILLESPIE FIELD - NEW AVIATION LEASE WITH CLASSIC AIRCRAFT HANGARS, INC. (DISTRICT: 2)**

**OVERVIEW**

Gillespie Field is a general aviation airport owned and operated by the County of San Diego's (County) Department of Public Works (DPW) within the municipal limits of the City of El Cajon. The airport includes 19 aviation leases and is a gateway to and from San Diego's east county providing infrastructure, facilities, and services to corporate and general aviation communities. Leasing of airport property generates lease revenue within the airport enterprise fund, which is used by DPW to ensure that all County airports are properly maintained and safe for airport users.

On September 11, 1984 (82), the Board of Supervisors approved a 30-year aviation lease for aircraft storage hangars with Classic Aircraft Hangars, Inc. (Classic), which commenced on October 1, 1984. On April 14, 1999 (10), the Board of Supervisors approved a new 30-year aviation lease with Classic, which replaced their previous lease for the same premises. The current lease commenced on April 1, 1999 and is scheduled to terminate on March 31, 2029. The lease was amended on February 24, 2010 (12), to adjust rent and revise certain lease provisions. Classic has requested to extend its cumulative tenancy on the leasehold to 50 years, which is the maximum allowed by Government Code Section 50478. As a result, the Classic lease could be extended through 2034. DPW and Classic have negotiated a new lease as summarized below.

This is a request to approve a new 14-year 10-month aviation lease to replace the existing lease with Classic, beginning on December 1, 2019 and ending on September 30, 2034. Approval of this action would provide the County with updated lease language including environmental sustainability provisions, increased rental revenue, and a one-time equity payment from the lessee. If the proposed action is approved, current fiscal year revenue would increase by \$123,128 over the budgeted amount.

**RECOMMENDATION(S)**

**CHIEF ADMINISTRATIVE OFFICER**

1. Find, in accordance with Section 15301 of the California Environmental Quality Act (CEQA) Guidelines that the proposed lease amendment is categorically exempt from CEQA review as it consists of leasing of existing facilities involving negligible or no expansion of existing or former use.
2. Approve and authorize the Clerk of the Board to execute, upon receipt, three copies of the new Aviation Lease with Classic Aircraft Hangars, Inc. (County Contract No. 320005) **(4 VOTES)**

## **FISCAL IMPACT**

Funds resulting from this request are partially included in the Fiscal Year 2019-20 Operational Plan for the Airport Enterprise Fund. If approved, this request would result in total annual revenue of \$187,928 in Fiscal Year 2019-20, an increase of \$123,128 over the amount budgeted. The funding source for the additional revenue is a total of \$2,016 increase in rental payments from the lessee under the terms of the amended lease and a one-time equity payment of \$121,112. There will be no change in net General Fund cost and no additional staff years.

## **BUSINESS IMPACT STATEMENT**

N/A

## **ACTION:**

ON MOTION of Supervisor Jacob, seconded by Supervisor Gaspar, the Board of Supervisors took action as recommended.

AYES: Cox, Jacob, Gaspar, Fletcher, Desmond

State of California)  
County of San Diego) §

I hereby certify that the foregoing is a full, true and correct copy of the Original entered in the Minutes of the Board of Supervisors.

ANDREW POTTER  
Clerk of the Board of Supervisors



**Signed**  
**by** Marvice Mazyck, Chief Deputy