



**SAN DIEGO COUNTY
REGIONAL AIRPORT AUTHORITY
STAFF REPORT**

**Item No.
10**

Meeting Date: **DECEMBER 2, 2010**

Subject:

Authorize the President/CEO to Consent to the Assignment of Lease and License Agreement from Landmark Aviation San Diego, Inc. to Landmark Aviation GSO-SAN, LLC

Recommendation:

Adopt Resolution No. 2010-0133, authorizing the President/CEO to consent to the assignment of Lease and License agreement from Landmark Aviation San Diego, Inc. to Landmark Aviation GSO-SAN, LLC.

Background/Justification:

Landmark Aviation San Diego, Inc. ("Assignor") has a Lease covering its general aviation, fixed-base operations ("FBO") at the Airport ("Lease") which will expire on April 30, 2012, (LE-0026) and a Non-Exclusive Ground Handling and Support Services License (LE-0472) for the conduct of aircraft support activities outside its FBO leasehold ("License") which will expire July 31, 2012. It has requested the Authority to consent to an assignment of the Lease and License from Assignor to Landmark Aviation GSO-SAN, LLC ("Assignee").

This assignment is being sought by Assignor on advice of its tax advisors to better manage its tax obligations. Assignor and its parent company (Landmark FBO, LLC) will be the members of the Assignee. There are no other changes proposed to the above-referenced Lease or License and all current guarantees of performance will remain in place. Further, the Assignor will guarantee performance of all of the Assignee's obligations. A wire diagram delineating the current and proposed ownership is attached as Exhibit "A"

Fiscal Impact:

The proposed assignment does not change the monetary consideration to be paid to the Authority and with the Assignor's guarantee, the Authority retains the same fiscal protections it currently has. Therefore, there is no new fiscal impact to the Authority.

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Environmental Review:

- A. This Board action, as an administrative action, is not a project that would have a significant effect on the environment as defined by the California Environmental Quality Act ("CEQA"), as amended. 14 Cal. Code Regs. §15378. This Board action is not a "project" subject to CEQA. Pub. Res. Code §21065.
- B. California Coastal Act Review: This Board action is not a "development" as defined by the California Coastal Act Pub. Res. Code Section 30106.

Equal Opportunity Program:

Not applicable.

Prepared by:

VERNON D. EVANS
VICE PRESIDENT, FINANCE/CHIEF FINANCIAL OFFICER/TREASURER

Landmark Aviation Current Structure



Landmark Aviation Proposed Structure After Assignment



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EXHIBIT A

RESOLUTION NO. 2010-0133

A RESOLUTION OF THE BOARD OF THE SAN DIEGO COUNTY REGIONAL AIRPORT AUTHORITY AUTHORIZING THE PRESIDENT/CEO TO CONSENT TO THE ASSIGNMENT OF LEASE AND LICENSE AGREEMENT FROM LANDMARK AVIATION SAN DIEGO, INC. TO LANDMARK AVIATION GSO-SAN, LLC.

WHEREAS, the San Diego County Regional Airport Authority ("Authority") and Landmark Aviation San Diego, Inc. ("Assignor") are parties to a June 14, 1988, Lease, LE-0026, as amended and assigned ("Lease"), and an August 1, 2008, Non-Exclusive Ground Handling and Support Services License, LE-0472, ("License"); and

WHEREAS, Assignor desires to assign its interests in the two above-referenced agreements to Landmark Aviation GSO-SAN, LLC ("Assignee") on the advice of its tax advisors; and

WHEREAS, the Authority will retain the fiscal protections it currently has, and its contractual and fiscal interests remain unchanged within the two above-referenced agreements; and

WHEREAS, the Assignor shall guarantee Assignee's performance of all existing obligations under the subject agreements; and

WHEREAS, this Board action is not a project that will have a significant effect on the environment as defined in the California Environmental Quality Act (CEQA), as amended, and does not constitute a "project" as defined in CEQA. [Cal. Pub. Res. Code §21065; 14 Cal. Code of Regs. §15378]; and

WHEREAS, this Board action is not a "development" as defined by the California Coastal Act. [Cal. Pub. Res. Code §30106].

NOW, THEREFORE, BE IT RESOLVED that the Board authorizes the President/ CEO to consent to the assignment of the Lease and the License agreement from Landmark Aviation San Diego, Inc. to Landmark Aviation GSO-SAN, LLC.

PASSED, ADOPTED, AND APPROVED by the Board of the San Diego County Regional Airport Authority at a regular meeting this 2nd day of December, 2010, by the following vote:

AYES: Board Members:

NOES: Board Members:

ABSENT: Board Members:

ATTEST:

TONY R. RUSSELL
DIRECTOR, CORPORATE SERVICES/
AUTHORITY CLERK

APPROVED AS TO FORM:

BRETON K. LOBNER
GENERAL COUNSEL

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