

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

702



FROM: Economic Development Agency

SUBMITTAL DATE:
December 15, 2003

SUBJECT: Lease Agreement – Desert Resorts Regional Airport, Fourth District.

RECOMMENDED MOTION: That the Board of Supervisors: (1) approve the Lease between the County of Riverside and the Lessee, La Quinta FBO Two, LLC, and, (2) authorize the Chairman to execute the Lease.

BACKGROUND: The Economic Development Agency is in receipt of a lease agreement between the County and Lessee. The Lessee currently has four Leases at Desert Resorts Regional Airport, three of which the Lessee would like to combine.

The Lessee will occupy approximately 18.44 acres of land, the existing terminal office building and maintenance hangar of approximately 36,000 square feet, an office building of approximately 2,500 square feet, a fueling station, and two aircraft storage buildings of approximately 25,000 square feet, which are currently subleased to multiple sublessees. Any future subleases within or improvements of the leasehold are to be submitted to the County for review and approval. (Continued)

Departmental Concurrence

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Quinta\LQFBO2 F11 consol lse dec 15 03.doc

Bradley J. Hudson
Assistant County Executive Officer/EDA

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|-----------------------|-------------------------------|------|-------------------------|----|
| FINANCIAL DATA | Current F.Y. Total Cost: | \$ 0 | In Current Year Budget: | No |
| | Current F.Y. Net County Cost: | \$ 0 | Budget Adjustment: | No |
| | Annual Net County Cost: | \$ 0 | For Fiscal Year: | NA |

| | | |
|----------------------------|---|--------------------------|
| SOURCE OF FUNDS: NA | Positions To Be Deleted Per A-30 | <input type="checkbox"/> |
| | Requires 4/5 Vote | <input type="checkbox"/> |

C.E.O. RECOMMENDATION: **APPROVE**

County Executive Office Signature

- Dep't Recomm.: Policy
- Per Exec. Ofc.: Consent
- Policy
- Consent

Prev. Agn. Ref.: June 25 2002 3.14 | District: 4th | Agenda Number:

**ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD**

3.20

FORM APPROVED
COUNTY COUNSEL

DEC 22 2003

BY

BACKGROUND (CONTINUED):

As consideration for occupying the leasehold interest, the Lessee will pay monthly a basic rent of \$8,027, with annual Consumer Price Index based adjustments beginning July 1, 2004. Beginning July 1, 2005 and every fifth year thereafter, the lease rate will be adjusted to fair market value based on the results of a County procured and approved appraisal. In addition to the basic rent, Lessee will pay a fuel flowage fee in an amount equal to five percent (5%) of the total net price paid by Lessee for all aviation and automotive fuel and lubricants received on the Leased Premises by Lessee.

The term of the Lease is thirty (30) years with an option to extend the term for an additional ten (10) years. The total years for the initial term of the Lease and the option period will not exceed forty (40) without County's approval.

The Economic Development Agency Staff recommends approval of the Lease to La Quinta FBO Two, LLC. County Counsel has approved the form of the lease document.

LEASE SUMMARY:

- Size: 18.44 acres (a consolidation of three existing leases of 10, 6 and 1.5 acres)
- Term: Thirty (30) years with one ten (10) year option to extend. Any extension beyond the initial term and option period will require County approval.
- Rate: \$8,027/month with annual Consumer Price Index based adjustments beginning July 1, 2004. Lease rate is adjusted to market value on July 1, 2005 and every fifth year thereafter, based on the results of a County procured and approved appraisal.

A fuel flowage fee of 5% of the net price of all aviation and automotive fuel and lubricants received on the Leased Premises by Lessee.