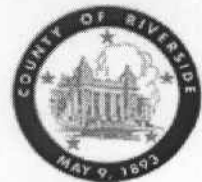


**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

907



FROM: Economic Development Agency

SUBMITTAL DATE:
July 29, 2004

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 Desert Resorts Aviation, LLC, a California limited liability company as Lessee, and authorize the Assistant County Executive Officer/EDA to execute any additional documents required by the Lease.

(2) Authorize the Chairman of the Board to execute the Lease.

BACKGROUND: The Economic Development Agency is in receipt of a lease agreement between the County and Lessee for approximately twenty-five (25) acres of land at Desert Resorts Regional Airport for the purpose of establishing a Full Service FBO and constructing a terminal building and other buildings for aircraft storage and the operations of the FBO.

As consideration for occupying the leasehold interest, Lessee will pay basic monthly rent of \$8,300.00, with annual CPI adjustments beginning July 1, 2006. Beginning July 1, 2005 and every 5th year thereafter, the Lease rate will be adjusted to fair market value based on the results of a survey procured by County. In addition to the basic rent, Lessee will pay a fuel flowage fee equal to five (5) percent of the total net price paid by Lessee for all aviation and automotive fuel and lubricants received on the Leased Premises by Lessee. (CONTINUED ON PAGE 2.)

Robin Zempfer

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Bradley J. Hudson
Assistant County Executive Officer/EDA

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 *Branda King*

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

COUNTY OF RIVERSIDE
OFFICE OF THE CLERK OF THE BOARD
CLERK OF THE BOARD
COUNTY OF RIVERSIDE

Prev. Agn. Ref.: | **District:** 4th | **Agenda Number:**

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

3.16

(BACKGROUND CONTINUED)

The term of the Lease is for 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) years without County's approval.

The Economic Development Agency Aviation Division staff recommends approval of the Lease to Desert Resorts Aviation, LLC. County Counsel has approved the form of the lease document.

LEASE SUMMARY:

Size: Approximately 25 acres

Note: The size of the Leased Premises and the base rent are to be adjusted within sixty days of lease execution based on the results of a survey paid for by Lessee.

Term: Thirty (30) years with one ten (10) year option to extend. Any extension beyond the initial term and option period will require County's approval.

Rent: \$8,300 per month: 1) Beginning July 1, 2005 and every fifth year thereafter, the rate is adjusted to fair market value based on the results of survey procured by County. 2) Beginning July 1, 2006 and every year thereafter, except for every fifth year when the rent is adjusted by appraisal, the rent will be increased by the percentage increase in the Consumer Price Index.

4,023.50 per month during the construction period, not to exceed twelve (12) months from commencement of rent.

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