

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

171



FROM: Economic Development Agency

SUBMITTAL DATE:
September 15, 2004

SUBJECT: Non-Aviation Leases, Hemet-Ryan Airport, 3rd District

RECOMMENDED MOTION: That the Board of Supervisors:

- 1) Approve the Leases for 3821-3827 Industrial Avenue and 3875 Industrial Avenue between the County of Riverside and James Walter Garvin and Judith Marie Garvin Family Trust dated September 25, 1996, as Lessee,
- 2) Authorize the Assistant County Executive Officer/EDA or his designee to execute any additional documents required by the Leases, and
- 3) Authorize the Chairman of the Board to Execute the Leases.

Departmental Concurrence

BACKGROUND: The Economic Development Agency is in receipt of two leases between the County of Riverside and Lessee. The first lease, 3821-3827 Industrial Avenue, is for 3.5 acres improved with four metal buildings totaling 26,000 square feet. The second lease, 3875 Industrial Avenue, is for 1.54 acres improved with a metal industrial building totaling 22,500 square feet. These two leases replace two existing leases for the same properties that were assigned to Edmond Equipment West, a California corporation, on June 8, 2004 and May 18, 2004 respectively. (CONTINUED ON PAGE 2)

Bradley J. Hudson

BJH:RZ:HO

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Bradley J. Hudson
Assistant County Executive Officer/EDA

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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA:

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 *Bronna King*

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

Prev. Agn. Ref.: 5/18/04 3.12, 6/8/04 3.16 District: 3rd Agenda Number: **3.20**

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

The new leases provide for an immediate 10% increase in the current combined rental rates. There are fixed annual rental increases thereafter for a period of five years; and then the rents are adjusted to fair market value in the sixth year with annual CPI adjustments thereafter, except for every fifth year when rents will be adjusted to market rate based on an appraisal obtained by the County.

To enable the Lessee to obtain mortgage financing, the term of each Lease has been increased to thirty (30) years and the Lessee given an option to extend the term for an additional ten (10) years. The term may not be extended beyond the initial term and option period without approval of County.

The insurance section of each Lease has been updated to reflect the County's current standard insurance provisions.

The Economic Development Agency staff recommends that the Board approve the Leases. County Counsel has reviewed and approved the Leases as to form.

SEP 23 5 55 AM '04
RECEIVED BY THE COUNTY CLERK