

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

341



FROM: Economic Development Agency

SUBMITTAL DATE:
October 2, 2006

SUBJECT: Jacqueline Cochran Regional Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Leases between the County of Riverside and HITS, Inc., a Delaware corporation, and Desert Resorts Aviation, LLC, a California limited liability company;
2. Authorize the Chairman of the Board to Execute the Leases; and
3. Authorize the Assistant County Executive Officer/EDA or designee to execute any additional documents required by the Leases.

Departmental Concurrence

BACKGROUND: The Economic Development Agency has received Non-Aviation Ground Leases for unimproved land for the development of an Equestrian Center at Jacqueline Cochran Regional Airport. The Leases are between the County of Riverside and HITS, Inc., as Lessee, for 60 acres, and Desert Resorts Aviation, LLC, as Lessee, for 169.46 acres. The Leases are contingent upon: 1) Cancellation of two agricultural leases, one for 60 acres, dated September 13, 2005, and one for 440 acres, dated November 1, 2005, between the County of Riverside and Desert Resorts Aviation, LLC, as Lessee; and 2) A Sublease between HITS, Inc., and Desert Resorts Aviation, LLC, for the 169.46 acres referenced above. (continued on page 2)

RZ:JC:DL:CC:DS:HO

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[Signature]
Robin Zimpfer
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:	N/A
	Annual Net County Cost:	\$ 0	For Fiscal Year:	No

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: Yes

SOURCE OF FUNDS: NA

Positions To Be Deleted Per A-30
Requires 4/5 Vote

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

FORM APPROVED
COUNTY COUNSEL

County Executive Office Signature

[Signature]

OCT 30 2006

BY *[Signature]*

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

Prev. Agn. Ref.: Sep 13 2005 3.21; 11/1/05
3.8

District: 4th

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.9

BACKGROUND (continued):

As consideration of occupying the Leasehold, HITS, Inc. will pay a base monthly rent of \$21,076.20 payable quarterly, commencing on January 1, 2007. Beginning July 1, 2016, and every tenth year thereafter, the rent will be adjusted by the change in the CPI for the previous ten years. Lessee will make available to County, during the term of the Lease, parking to accommodate 6,000 cars for two weekends (Thursday through Monday) in the month of November.

As consideration for occupying the Leasehold, Desert Resorts Aviation, LLC, will pay an annual base rent of \$32,020.38, payable quarterly in advance commencing January 1, 2007. Beginning July 1, 2016, and every tenth year thereafter, the rent will be adjusted by the change in the CPI for the previous ten years.

Economic Development Agency staff recommends the Board of Supervisors approve the Leases. County Counsel has reviewed the Lease Agreements and approved them as to form.