

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

752



FROM: Economic Development Agency

SUBMITTAL DATE:

July 11, 2007

SUBJECT: Surrender of Leasehold Agreement Jacqueline Cochran Regional Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Surrender of Leasehold Agreement dated June 11, 2007, for the Ground Lease dated June 20, 2000, between the County of Riverside, as Lessor, and Dick Bjelland, as Lessee; and
2. Authorize the Chairman of the Board to execute the Surrender of Leasehold Agreement.

BACKGROUND: On June 20, 2000, the County, as Lessor, entered into a Ground Lease with Dick Bjelland, as Lessee, for 2,500 square feet of land for the development of an aircraft storage hangar at Jacqueline Cochran Regional Airport. The Ground Lease required the Lessee to submit plans for building permits within thirty days after lease execution and to commence construction within thirty days of issuance of a building permit. Lessee has paid rent since Lease execution and incurred expenses relating to engineering and building plan preparation, but failed to submit plans within the time required by the Lease. When plans were finally submitted and a building permit was issued by the County in April, 2005, Lessee failed to commence construction as required by the Lease and after six months the permit expired. (Continued on page 2)

Departmental Code: 00000000

Robin Zimpfer

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Assistant County Executive Officer/EDA

RZ:DL:CC:DS:HO
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F11 Surrender Agreement 9 jul 07 rev.doc

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 12,000	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$	Budget Adjustment:	No
	Annual Net County Cost:	\$	For Fiscal Year:	2007-2008

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

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

C.E.O. RECOMMENDATION: APPROVE
BY *Jennifer L. Sargent*
County Executive Office Signature
FORM APPROVED COUNTY COUNSEL
JUL 17 2007

BY *Gordon V. Woo*
GORDON V. WOO

- Policy
- Policy
- Consent
- Consent
- Dept Recomm.:
- Per Exec. Ofc.:

Prev. Agn. Ref.: 06/20/00, 3.29 District: 4th Agenda Number:

3.35

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

BACKGROUND (continued): The Economic Development Agency (EDA) desires to commence development of approximately four (4) acres land, of which the Leasehold is a part, and needs to terminate the Bjelland Ground Lease prior to issuing a request for proposal for the development of the larger site.

In an effort to avoid litigation and to move forward with the development of the site in a timely manner, EDA staff has negotiated a Surrender of Leasehold Agreement with Lessee, wherein the County would reimburse Lessee \$12,000 for a portion of his out of pocket costs for rent, engineering and plans in exchange for Lessee's agreement to terminate the Ground Lease and surrender the Leasehold.

Staff recommends that the Board of Supervisors approve the Surrender of Leasehold Agreement. The Surrender of Leasehold Agreement was prepared by the firm of Gatzke Dillon & Balance LLP; outside legal counsel representing the County of Riverside.