

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

309



FROM: Economic Development Agency

SUBMITTAL DATE:
December 3, 2007

SUBJECT: Amendments to Legal Services Agreements – Jacqueline Cochran Regional Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the First Amendment to Legal Services Contract between the County of Riverside and: a) Anita C. Willis dated July 17, 2007, and b) Gatzke Dillon and Ballance dated July 17, 2007; and
2. Authorize the Chairman of the Board to sign the First Amendments to Legal Services Contract.

BACKGROUND: The Economic Development Agency operates and manages four airports owned by the County of Riverside. On July 17, 2007, the Board of Supervisors approved two legal services contracts with outside legal counsel based on the Agency's need for the services of legal counsel experienced in real estate leases, Federal Aviation Administration regulations and grant assurances relating to the development of County Airports.

The services were required in connection with: 1) Negotiations and potential litigation at Hemet-Ryan Airport relating to the failure of Hemet-Ryan Aviation, Inc., to maintain insurance coverages and pay rental increases as required by the Lease between the County, as Lessor, and Hemet-Ryan Aviation, as Lessee, dated November 14, 2000, and 2) Lease termination negotiations, relocation negotiations and unlawful (Continued on page 2)

RZ:DL:CC:DS:HO

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Deanna Lorson
Deanna Lorson, Managing Director, for Robin Zimpfer,
Assistant County Executive Officer/EDA

FINANCIAL DATA

Current F.Y. Total Cost:	\$ 110,809	In Current Year Budget:	Yes
Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
Annual Net County Cost:	\$ 0	For Fiscal Year:	07-08

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Airport Operation

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. Sarger*
Jennifer L. Sarger

County Executive Office Signature

Policy Policy

Consent Consent

Dept. Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: JUL 17 2007 3.28; Nov 14, 2000 3.23

District: 3rd and 4th

Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.24
Form (Re 06/2006)

FORM APPROVED COUNTY COUNSEL
BY: *ARISA R-MCKENNA*
12/3/07
Departmental Concurrence

BACKGROUND: (Continued)

detainer actions contemplated at Jacqueline Cochran Regional Airport resulting from the termination of various ground leases, tiedown leases and/or license agreements.

The contract with Anita C. Willis to handle the Hemet-Ryan Aviation negotiations was for an initial amount of \$25,000. Ms. Willis has been unable to negotiate a satisfactory resolution of the issues with Hemet-Ryan Aviation and is now preparing a request for approval to file a complaint against Hemet-Ryan Aviation. The request will be presented to the Board of Supervisors in closed session. Ms. Willis estimates an additional \$69,600 will be required to pursue the litigation related to the various contractual issues with Hemet-Ryan Aviation.

The contract with the firm of Gatzke Dillon & Ballance to handle the negotiations relating to Lease termination negotiations, relocation negotiations and unlawful detainer actions contemplated at Jacqueline Cochran Regional Airport was for an initial amount of \$75,000. Gatzke Dillon & Ballance has successfully negotiated Surrender Agreements with five (5) Lessees for six (6) leases. It will not be necessary to file an unlawful detainer action in connection with any of the Leases. Legal fees associated with this matter have totaled \$99,634 through October 2007. It is estimated that an additional \$16,636 will be needed to complete the legal services for the Settlement Agreements.

Economic Development Agency staff recommends that the Board of Supervisors approve the amendments to Legal Services Agreements. County Counsel has reviewed the First Amendments to the Legal Services Agreements and approved them as to Form.

Attachments:

Lori Ballance email dated November 8, 2007