

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

532



FROM: Economic Development Agency

SUBMITTAL DATE:
March 24, 2008

SUBJECT: Ground Leases French Valley Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the leases at French Valley Airport dated February 1, 2008, between the County of Riverside and French Valley Business Center, LLC, a California limited liability company, as Lessee for: 1) Parcel 1, 5.23-acres of land; 2) Parcel 2, 1.77-acres of land; and 3) Parcel 3, 2.5-acres of land;
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.

BACKGROUND: The Economic Development Agency is in receipt of three ground leases dated February 1, 2008, at French Valley Airport: 1) Parcel 1, 5.23-acres, 2) Parcel 2, 1.77-acres, and 3) Parcel 3, 2.5-acres. The ground leases provide for the cancellation of an existing lease between County and Lessee for 37-acres dated February 7, 2008. Certain terms and conditions of the 37-acre lease, including the term of the lease, assignment and subletting provisions and the time required for completed development of the entire site resulted in the original development contemplated by the lease, made the development economically unfeasible. (Continued page 2)

Robin Zimpfer

Robin Zimpfer
Assistant County Executive Officer/EDA

RZ:DL:CC:DS:HO
S:\EDCOM\AIRPORTS\FRVALLEY\French Valley Business Center\NEW LEASES 12.12.07\FVBC F11 lse cancel and new leases 3.24.08.doc

FORM APPROVED COUNTY COUNSEL
BY: *Pamela J. Walls*
PAMELA J. WALLS
DATE: 3/24/08
Departmental Concurrence

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

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: N/A	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*

Jennifer L. Sargent

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dept't Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: Feb 07 2006 3.7	District: 3rd	Agenda Number:
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ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.11

Form 11 (Rev 06/2003)

BACKGROUND: (continued)

In consideration of reducing the size to the leaseholds to a total of 9.5-acres, extending the term of the leases from forty years, to fifty years, and allowing for assignment of the leases with County's consent prior to completion of construction of all improvements, Lessee has agreed to base the fair market value of the monthly rent on a land value of \$ \$348,480 per acre. Formerly, the monthly rent was based on a fair market value of \$152,460 per acre. The total monthly rent for the 37-acre lease and the new leases is summarized below.

Economic Development Agency staff recommends the Board of Supervisors approve the French Valley Business Center Leases for Parcel 1, Parcel 2 and Parcel 3 and the cancellation of the 37-acre Lease dated February 7, 2006, as provided for in Section 44 the new leases. The form of the Leases has been approved by special counsel Redwine and Sherrill, who represented the County in the Lease negotiations.

SUMMARY:

37-Acre Lease:

Lease term: 30-years with and option to renew for an additional ten years.

Rent based on 22.26-acres: 37-acres less Wetlands of 16.63-acres

Monthly rent: \$22,625.05

Rent Commencement: No later than February 7, 2008

Assignment and Subletting: County has absolute right of approval until completion of construction for the entire 37-acres

New Leases:

Lease term: 50-years, no option to renew

Rent based on a total of 9.5-acres (5.23 + 2.5 + 1.77)

New monthly rent: \$22,070.40

Rent Commencement: Parcel 1 February 7, 2008

Rent Commencement: Parcel 2 and 3 August 1, 2008

Assignment and Subletting: Lease may be assigned at anytime upon written consent of County, which shall not be unreasonable withheld.