

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

458



FROM: Economic Development Agency

SUBMITTAL DATE:
August 20, 2008

SUBJECT: Vail Ranch Historic Site Second Amendment, Site Lease and Sub-Lease Agreements

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve and authorize the Chairman to execute the attached Second Amendment to the Offer to Dedicate and Lease Agreement;
2. Approve the Lease and Sub-Lease agreements between the County of Riverside and Vail Headquarters, LLC ("VHQ") for the Vail Ranch Historic Site and authorize the Chairman to execute the agreements upon conveyence of the property from VHQ to the County; and
3. Delegate authority to the Assistant County Executive Officer/EDA to implement the Second Amendment, Lease and Sub-Lease and act on behalf of the Board to approve additional Sub-Leases and other documents as necessary.

FORM APPROVED COUNTY COUNSEL
 BY: Michelle Clack
 DATE: 8/25/08
 Departmental Concurrence

(Background on page 2)

Deanna Lorson

RZ:DL:TE:AF
S:\RDACOMDIS3\Vail Ranch\Form 11's\Vail Headquarters F-11 7-11-08.doc

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

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:	08/09

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 J. Sargent*
Jennifer J. Sargent

County Executive Office Signature

- Policy
- Consent
- Policy
- Consent

Dept' Recomm.:
Per Exec. Ofc.:

Prev. Agn. Ref.: 3.16, 05/06/03

District: 3

Agenda Number:

BACKGROUND:

On May 6, 2003, the Board of Supervisors approved and executed an agreement between the County of Riverside and Redhawk Towne Center, LLC for the restoration and adaptive reuse of the Vail Ranch Historic Site. The Historic Site is composed of seven (7) historic structures on approximately four (4) acres of a larger commercial site.

Due to a change in ownership of Redhawk Towne Center and their lack of experience in historic preservation, a separate developer was solicited to complete the adaptive reuse and historic preservation of the site.

On January 9, 2007, the Board approved a first amendment to the agreement with Redhawk Towncenter, LLC to allow the project to be completed by the family owned company Arteco Partners through their corporation Vail Headquarters, LLC ("VHQ"). Pursuant to the terms of the agreement and First Amendment, the County and VHQ will execute a Second Amendment to incorporate lender protection provisions as well as a separate lease and sub-lease agreement to implement the intent of the original Vail Ranch Historic Site Offer to Dedicate and Lease Agreement. The Second Amendment includes cure provisions for the lender to assume the responsibilities of VHQ in the occurrence of a default. The terms of the lease and sub-lease are consistent with the terms of the amended agreement and it is recommended that the Board approve each as presented. With approval of the documents as proposed, VHQ will be able to secure construction financing and anticipate starting construction in October 2008.

Pursuant to the site lease from the County to VHQ, VHQ is required to obtain approval from the County of any sub-leases it enters into with various tenants. It is recommended that this authority be delegated to the Assistant County Executive Officer/EDA in order to expedite processing of such approvals.

In conjunction with the land use approval of the proposed project, the project has been considered for potential affects on the environment under the guidelines of the California Environmental Quality Act and it was determined that the project is categorically exempt pursuant to section 15332 for infill development.

County Counsel has approved the documents as to form.