

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

504



FROM: Economic Development Agency

SUBMITTAL DATE:
November 25, 2008

SUBJECT: Fourth Amendment to Lease at French Valley Airport

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the Fourth Amendment to Lease dated November 17, 2008, between the County of Riverside and French Valley holdings, LLC, amending the Lease between the County of Riverside, as Lessor, and Ovation Air Group, Inc., (formerly known as Mach 1 Air Charter, Inc.) as Lessee, dated June 4, 2002; amended by First Amendment to Lease on October 21, 2003; by Second Amendment to Lease on December 13, 2005; and by Third Amendment to Lease on July 25, 2006, Assigned to Quinn Aire, LLC, by Ovation Air Group, Inc., on January 23, 2007, Assigned to Larry Hansen and Joseph Diorio by Quinn Aire, LLC, on January 23, 2007, and Assigned to French Valley Holdings, LLC, by Larry Hansen and Joseph Diorio on October 7, 2007;
2. Authorize the Chairman of the Board to execute the Fourth Amendment to Lease; and
3. Authorize the Assistant County Executive Officer/EDA or designee to execute any additional documents required by the Fourth Amendment to Lease.

BACKGROUND (continued on page 2)

Deanna Lorson

RZ:DL:CC:DS:HO
S:\EDCOM\AIRPORTS\FRVALLEY\Ovation - MACH 1 AIR CHARTER\FV Holdings 4th Amend to Lse 11.25.08.doc

Robyn 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:	N/A

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

FORM APPROVED COUNTY COUNSEL
BY: Gordon V. Woo 12/1/08
DATE: GORDON V. WOO

Policy
 Consent
 Policy
 Consent

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

Prev. Agn. Ref.: 6/4/02 3.2; 10/21/03 3.14; 12/13/05 3.7; 6/25/06 3.19; 3/20/2007 3.6; 10/2/07 3.15
District: 3rd
Agenda Number:

ATTACHMENTS FILED
WITH THE CLERK OF THE BOARD

3.21
Form 11 (Rev 06/2003)

BACKGROUND:

The Economic Development Agency has received a Fourth Amendment to Lease between the County of Riverside and French Valley Holdings, LLC. The Fourth Amendment relates to the three-acre ground lease at French Valley Airport between the County of Riverside, as Lessor, and Ovation Air Group, Inc., (formerly known as Mach 1 Air Charter, Inc.) as Lessee, dated June 4, 2002; amended by First Amendment to Lease on October 21, 2003; by Second Amendment to Lease on December 13, 2005; and by Third Amendment to Lease on July 25, 2006, Assigned to Quinn Aire, LLC, by Ovation Air Group, Inc., on January 23, 2007, Assigned to Larry Hansen and Joseph Diorio by Quinn Aire, LLC, on January 23, 2007, and Assigned to French Valley Holdings, LLC, by Larry Hansen and Joseph Diorio on October 2, 2007.

The land was improved by Ovation Air Group with a Fixed Based Operator (FBO) building consisting of approximately 15,000 square feet of aircraft storage and 3,500 square feet of office space, with the intent to operate the facility as a Full Service FBO, which requires a minimum of three acres of land. The owners of French Valley Holdings also own French Valley Aviation, a Full Service Fixed Base Operator immediately south of this property and no longer plan to operate this facility as a Full Service FBO. Consequently, they have asked the county to reduce the size of the leased area to 1.5 acres and the monthly rental from \$3,406.68 to \$1,703.34.

The land that would be returned to the county is fully improved and is operated as a public ramp which, among other things, serves as transient parking for larger jet aircraft. The Economic Development Agency is willing to take the back the 1.5 acres to accommodate the new business plan of the Lessee, to regain control of the operation of this ramp area and to avoid any potential conflict with airport grant assurances.

The Economic Development Agency recommends that the Board of Supervisors consent to the Fourth Amendment to Lease. County Counsel has reviewed the Amendment and approved it as to form.