

MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



**3.43**

(MT 19623)

On motion of Supervisor Spiegel, seconded by Supervisor Hewitt and duly carried by unanimous vote, IT WAS ORDERED that the recommendation from Transportation and Land Management Agency/Aviation regarding the Approval of Notice to Terminate Tenancy Pertaining to the Lease (Thermal Airport) between the County of Riverside, as Lessor, and National Association of Reversionary Property Owners, as Lessee – Jacqueline Cochran Regional Airport, CEQA Exempt, District 4, is taken off calendar.

Roll Call:

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None

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I hereby certify that the foregoing is a full true, and correct copy of an order made and entered on July 26, 2022, of Supervisors Minutes.

WITNESS my hand and the seal of the Board of Supervisors  
Dated: July 26, 2022  
Kecia R. Harper, Clerk of the Board of Supervisors, in  
and for the County of Riverside, State of California.

(seal)

By: *Yvonne Raso* Deputy

AGENDA NO.  
**3.43**

xc: TLMA-Aviation

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



ITEM: 3.43  
(ID # 19623)

MEETING DATE:  
Tuesday, July 26, 2022

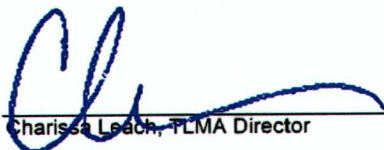
FROM : TLMA - AVIATION:

**SUBJECT:** TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION: Approval of Notice to Terminate Tenancy Pertaining to the Lease (Thermal Airport) between the County of Riverside, as Lessor, and National Association of Reversionary Property Owners, as Lessee – Jacqueline Cochran Regional Airport, CEQA Exempt, District 4. [\$1,500 Total Cost - TLMA Aviation Revenue Fund 100%] (Clerk to file Notice of Exemption) (REQUEST TO TAKE ITEM OFF CALENDAR)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. **Find** that the project is exempt from the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301, Existing Facilities exemption and Section 15061(b)(3) "Common Sense" exemption;
2. **Approve** the attached Notice to Terminate Tenancy pertaining to the Lease (Thermal Airport) between the County of Riverside, a political subdivision of the State of California, as Lessor, and National Association of Reversionary Property Owners, a Washington corporation, as Lessee, and authorize the Riverside County Airport Manager to execute the same on behalf of the County;
3. **Authorize** the Riverside County Airport Manager or her designee to execute any other related documents and administer all actions necessary to complete this matter; and
4. **Direct** the Clerk of the Board to file the attached Notice of Exemption with the County Clerk within five (5) working days of approval by the Board.

**ACTION:**Policy

  
Charissa Leach, TLMA Director

7/14/2022

  
Aaron Gettis, Deputy County Counsel

7/17/2022

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**MINUTES OF THE BOARD OF SUPERVISORS**



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| <b>FINANCIAL DATA</b>                                    | <b>Current Fiscal Year:</b> | <b>Next Fiscal Year:</b> | <b>Total Cost:</b>        | <b>Ongoing Cost</b> |
|--|-----------------------------|--------------------------|---------------------------|---------------------|
| <b>COST</b>  | \$ 1,500                    | \$ 0                     | \$ 1,500                  | \$ 0                |
| <b>NET COUNTY COST</b>                                   | \$ 0                        | \$ 0                     | \$ 0                      | \$ 0                |
| <b>SOURCE OF FUNDS: 100% TLMA- Aviation Revenue Fund</b> |                             |                          | <b>Budget Adjustment:</b> | No                  |
|  |                             |                          | <b>For Fiscal Year:</b>   | 22/23               |

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

On January 29, 1980, the County of Riverside, a political subdivision of the State of California, as Lessor, and Charles Gibbs and June Gibbs, husband and wife as joint tenants entered into a Lease at the Jacqueline Cochran Regional Airport ("Original Lease"). The Original Lease has been amended by that certain First Amendment dated January 8, 1985, the Second Amendment dated April 10, 1985, and the Third Amendment dated December 15, 1992 (the Original Lease and amendments are collectively referred hereto as "Lease"). Since entering into the Lease various assignments have been made whereby National Association of Reversionary Property Owners (NARPO), a Washington corporation, has become the current Lessee by virtue of an Assignment of Lease and Conveyance of Hangar dated October 1, 2016.

The Lease pertains to Lessee's use of approximately 1.6 acre of land at the Jacqueline Cochran Regional Airport ("Property"), on which a 10,625 square foot hangar ("NARPO Hangar") was constructed and utilized as an aircraft storage hangar for approximately 40 years. The term of the Lease expired on January 1, 2020, and the Lessee has remained on the Property on a month-to-month tenancy. The current monthly lease rate for NARPO is \$300 per month, which has not increased since 2007, and is inconsistent with the current ground market rate at the Jacqueline Cochran Regional Airport.

Pursuant to Section 511(a)(9) of the Airport and Airway Improvement Act of 1982 (AAIA); airports are required to be as self-sustainable as possible under the circumstances at the airport. Airports typically achieve long-term self-sustainability through reversion of property improvements and mark-to-market rate adjustments for rents. The NARPO Lease included a reversion clause that reverted ownership of the hangar to the County after 40 years, upon expiration of the Lease, unless the Lessee removed at Lessee's expense, such improvements, alterations and fixtures at or prior to the expiration of the Lease. The Lease expired and NARPO did not remove the hangar from the Property.

In July of 2018, prior to the reversion of the hangar, the County sent NARPO a letter detailing the County's proposed lease terms for a potential renewal. The proposal included a lease rate

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,  
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based on improved land for the NARPO Hangar at \$.31 per square foot, and an updated market rate price for the ground space of \$1,272 per acre. The total proposed monthly rent was \$4,540.31 per month for the lease of a reduced ground space of .98 acres and the NARPO Hangar. NARPO rejected the offer and countered with a monthly rate of \$900 a month, which the County declined.

On June 24, 2020 NARPO sent a complaint to the Federal Aviation Administration ("FAA") regarding insurance limits and the reversionary clause for the existing Lease. On July 6, 2020 the FAA informed NARPO that they did not have permanent rights of the hangar, as permanent rights are a violation of grant assurances. The FAA indicated that the airport has an obligation to be self-sufficient and that a hangar reverting back to the airport is best practices in the industry.

On July 7, 2020, the County notified NARPO that hangar ownership had reverted to the County and as such the County agreed to offer NARPO a reduced improved facility price of .29 cents per square foot. NARPO declined the offer to lease the hangar at market rate for improved facilities and the Lease has remained on a month-to-month tenancy.

At this point, the County has exhausted all options to renew the lease with NARPO and has determined it to be in the best interest of the County to make the property available for airport development by electing to terminate the tenancy by the attached 30-Day Notice to Terminate Tenancy. The tenancy will be terminated on August 11, 2022.

Pursuant to the California Environmental Quality Act (CEQA), the Lease was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines Section 15301 class 1-Existing Facilities exemption and Section 15061(b)(3) "Common Sense" exemption.

The 30-Day Notice to Terminate Tenancy has been reviewed and approved as to form by County Counsel.

**Impact on Residents and Businesses**

There have been substantial requests made to the Riverside County, Aviation Division for hangar space and development at the Jacqueline Cochran Regional Airport. Making the NARPO Hangar and property available will help the Aviation Division develop the airport in a way that could potentially lead to an operation or service that is currently not available. Residents and Businesses can potentially benefit from increased services or amenities made available at the airport.

**Additional Fiscal Information**

No net County cost will be incurred, and no budget adjustment is necessary, however, the Transportation and Land Management Agency, Aviation Division has incurred costs associated



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with this transaction. County Counsel and Facilities Management costs to date in the approximate amount of \$1,500 will be reimbursed from the TLMA Aviation Revenue Fund.

|                       |                 |
|-----------------------|-----------------|
| County Counsel Review | \$ 1,000        |
| CEQA NOE              | \$ 500          |
| <b>Total</b>          | <b>\$ 1,500</b> |

**Attachments**

30-Day Notice to Terminate Tenancy

Notice of Exemption

Aerial Map

  
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Jason Farin, Principal Management Analyst 7/19/2022