

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



ITEM: 3.25  
(ID # 20955)

**MEETING DATE:**

Tuesday, February 07, 2023

**FROM :** TLMA - AVIATION:

**SUBJECT:** TRANSPORTATION AND LAND MANAGEMENT AGENCY/AVIATION: Approval of the First Amendment to Blythe Airport Fixed Base Operation and Development Ground Lease Agreement between the County of Riverside and Military Freefall Solutions Inc., a California corporation, Blythe Airport, CEQA Exempt pursuant to State CEQA Guidelines Section 15301 and Section 15061(b)(3)(Clerk to file Notice of Exemption), District 4. [\$1,050 Total Cost - TLMA Aviation Fund 100%]

**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 First Amendment to Blythe Airport Fixed Base Operation and Development Ground Lease Agreement ("First Amendment") between the County of Riverside ("County") and Military Freefall Solutions Inc., a California corporation ("Military Freefall Solutions");
3. **Authorize** the Chairman of the Board of Supervisors to execute the attached First Amendment, and authorize the Assistant County Executive Officer/TLMA, or designee, to take all necessary steps to implement the First Amendment, including, but not limited to, signing subsequent necessary and relevant document's; 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.
- 5.

**ACTION:Policy**

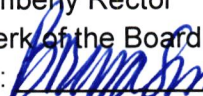
  
Charissa Leach, TLMA Director 1/31/2023

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Gutierrez  
Nays: None  
Absent: None  
Date: February 7, 2023  
xc: TMLA-Aviation, Recorder

Kimberly Rector  
Clerk of the Board  
By:   
Deputy

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

<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>	\$ 1,050	\$ 0	\$ 1,050	\$ 0
<b>NET COUNTY COST</b>	\$ 0	\$ 0	\$ 0	\$ 0
<b>SOURCE OF FUNDS: TLMA Aviation Revenue Fund</b>			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 2022/23- 2041/42</b>	

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

**BACKGROUND:**

**Summary**

The County of Riverside, as landlord and Military Freefall Solutions, as lessee entered into that certain Blythe Airport Fixed Base Operation and Development Ground Lease Agreement dated January 31, 2017 (collectively "Lease"). The Lease relates to Military Freefall Solutions use of an aeronautical property consisting of approximately 8 acres of land and containing a 24,750 square foot County owned WWII vintage hangar and an existing 1,200 square foot terminal building, located at the Blythe Airport ("Leased Premises"). The term of the Lease commenced on February 1, 2017, and expires on January 31, 2042, with one option to extend the term by 5 years. Pursuant to the Lease, Military Freefall Solutions operates a full-service fixed base operation at the Blythe Airport.

The County, Transportation and Land Management Agency- Aviation Division ("TLMA-Aviation") and Military Freefall Solutions have agreed to amend the Lease through the attached First Amendment to (i) modify the 2022 annual Consumer Price Index (CPI) increase by the previous three-year average percentage change, (ii) revise the mark-to-market rate adjustment year for consistency with other County leases, (iii) change the CPI Index, and (iv) apply an eight percent (8%) cap on annual CPI increases for non-appraisal years.

The Lease contains an annual increase that is based off the percentage change, in the Consumer Price Index (CPI), All Urban Consumers, Los Angeles- Riverside- Orange County Area for the twelve-month period ending three months before the month of the rent adjustment. The parties have agreed to change the CPI to the corresponding index of Riverside – San Bernardino – Ontario Area.

Additionally, the current Lease has a mark-to-market date of July 1, 2021, and every fifth (5<sup>th</sup>) year thereafter. In order to coincide with the mark-to-market date with other County airport leases, the date will be adjusted to July 1, 2025, and every fifth (5<sup>th</sup>) year thereafter. The mark-to-market rate adjustment is determined through an appraisal conducted by a independent MAI certified appraiser, and is procured and paid for by the County. Aligning the mark-to-market adjustment dates with other airport leases creates an economy of scale, whereby the County can potentially save money on appraisal fees.

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

In exchange for the two lease revisions that provide improved conformity with other County leases, the TLMA- Aviation Division has agreed to offer a one-time, one-year CPI increase based on the previous three-year average. The three-year average CPI is 5.3% and will be applied retroactively to July 1, 2022. The TLMA- Aviation Division has also agreed to set an 8% cap for any future CPI increases.

County Counsel has reviewed and approved the attached First Amendment. Staff recommends that the Board approve the First Amendment.

Pursuant to the California Environmental Quality Act (CEQA), and as detailed in the attached Notice of Exemption, the First Amendment was reviewed and determined to be categorically exempt from CEQA under State CEQA Guidelines 15301, Class 1 – Existing Facilities and State CEQA Guidelines 15061(b)(3), General Rule or “Common Sense” Exemption.

**Impact on Residents and Businesses**

Military Freefall Solutions will continue to conduct the existing business of a full-service fixed base operator on the Leased Premises, which will provide much needed aeronautical related services at the Blythe 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 with this transaction. County Counsel and CEQA filing fees to date in the approximate amount of \$1,050 will be reimbursed from the TLMA Aviation Revenue Fund.

County Counsel Review	\$ 1,000
CEQA NOE	\$ 50
<b>Total</b>	<b>\$ 1,050</b>

**Attachments**

- First Amendment
- CEQA Notice of Exemption
- Aerial Map



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STATE OF CALIFORNIA



Jason Farin, Principal Management Analyst 2/1/2023




Aaron Gettis, Deputy County Counsel 1/31/2023



County of Riverside  
TLMA Aviation  
4080 Lemon Street, 14<sup>th</sup> Floor, Riverside, CA 92501

**FILED / POSTED**  
County of Riverside  
Peter Aldana  
Assessor-County Clerk-Recorder  
E-202300164  
02/08/2023 10:37 AM Fee: \$ 50.00  
Page 1 of 3

Removed: \_\_\_\_\_ By: \_\_\_\_\_ Deputy \_\_\_\_\_



**NOTICE OF EXEMPTION**

January 5, 2023

**Project Name:** Approval of the First Amendment to Blythe Airport Fixed Base Operation and Development Ground Lease Agreement between the County of Riverside and Military Freefall Solutions Inc., a California corporation, Blythe Airport

**Project Location:** 17240 Hobsonway, Blythe, CA 92225 Assessor Parcel Number 824-020-005 (a portion)

**Description of Project:** The County of Riverside, as landlord and Military Freefall Solutions, as lessee entered into that certain Blythe Airport Fixed Base Operation and Development Ground Lease Agreement dated January 31, 2017 (collectively "Lease"). The Lease relates to Military Freefall Solutions use of an aeronautical property consisting of 8 acres of land and containing a 24,750 square foot County owned WWII vintage hangar and an existing 1,200 square foot terminal building, located at the Blythe Airport ("Leased Premises"). The County and Lessee have agreed to enter into the attached First Amendment to Lease ("First Amendment"). The First Amendment proposes to change the CPI to the corresponding index of Riverside – San Bernardino – Ontario Area, and revise the mark-to-market rate adjustment year for consistency with other County leases. In exchange for the two lease revisions that provide improved conformity with other County leases, the County has agreed to offer a one-time, one-year CPI increase based on the previous three-year average. The three-year average CPI is 5.3% and will be applied retroactively to July 1, 2022. The Aviation Division has also agreed to set an 8% cap for any future CPI increases.

The First Amendment has been identified as a proposed project under the California Environmental Quality Act (CEQA) because a discretionary action is required for approval. The approval of the First Amendment is limited to modifications to an existing contractual obligation and will not result in any direct effects on the environment. The First Amendment relates to the operation of fixed base operator services at the Blythe Airport, which will not result in any significant environmental impacts or include any mitigation measures.

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4080 Lemon Street, 14th Floor • Riverside, California 92501 • (951) 955-9722

P. O. Box 1605 • Riverside, California 92502-1605

FEB 7 2023 3.25

**Name of Public Agency Approving Project:** County of Riverside

**Name of Person or Agency Carrying Out Project:** Riverside County Transportation and Land Management Agency – Aviation Division

**Exempt Status:** State CEQA Guidelines Section 15301, Class 1, Existing Facilities Exemption; Section 15061(b)(3), General Rule or “Common Sense” Exemption. Codified under California Code of Regulations Title 14, Article 5, Section 15061.

**Reason Why Project is Exempt:** The proposed project is categorically exempt from the provisions of CEQA specifically by the State CEQA Guidelines as identified below. The project will not result in any specific or general exceptions to the use of the categorical exemption as detailed under State CEQA Guidelines Section 15300.2. The project will not cause an impact to an environmental resource of hazardous or critical concern nor would the project involve unusual circumstances that could potentially have a significant effect on the environment. The project is limited to modifications to the existing Lease and does not include a new development or improvements to the Leased Premises. Furthermore, this project would not result in any physical direct or reasonably foreseeable indirect impacts to the environment.

- Section 15301 – Class 1 Existing Facilities Exemption:** This categorical exemption includes the operation, repair, maintenance, leasing, or minor alteration of existing public or private structures or facilities, provided the exemption only involves negligible or no expansion of the previous site’s use. The project, as proposed, is limited to modifications to the existing Lease terms which are consistent with the existing land use and would not result in a physical change to the property. These improvements fall within the criteria identified in Section 15301 (c) and (d) which allow for the repair and maintenance of existing transportation facilities and rehabilitation of structures and facilities to meet standards of health and safety. Therefore, the project is exempt as it meets the scope and intent of the Categorical Exemption identified in Section 15301, Article 19, Categorical Exemptions of the CEQA Guidelines.
- Section 15061 (b) (3) – “Common Sense” Exemption:** In accordance with CEQA, the use of the Common Sense Exemption is based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” State CEQA Guidelines, Section 15061(b) (3). The use of this exemption is appropriate if “it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.” *Ibid*. This determination is an issue of fact and if sufficient evidence exists in the record that the activity cannot have a significant effect on the environment, then the exemption applies and no further evaluation under CEQA is required. See *No Oil, Inc. v. City of Los Angeles* (1974) 13 Cal. 3d 68. The ruling in this case stated that if a project falls within a category exempt by administrative regulation or ‘it can be seen with certainty that the activity in question will not have a significant effect on the environment’, no further agency evaluation is required. With certainty, there is no possibility that the project may have a significant effect on the environment. The approval of the First Amendment would result in the continued limited fixed base operation on the leased premises. No significant direct or indirect environmental impacts would occur. Therefore, in no way, would the project as proposed have the potential

to cause a significant environmental impact and the project is exempt from further CEQA analysis.

Signed: Jose Ruiz Date: 1/5/2023  
Jose Ruiz, Senior Real Property  
Agent, County of Riverside  
TLMA-Aviation Division

**FIRST AMENDMENT TO BLYTHE AIRPORT  
FIXED BASE OPERATION AND DEVELOPMENT  
GROUND LEASE AGREEMENT**

**THIS FIRST AMENDMENT TO BLYTHE AIRPORT FIXED BASE OPERATION AND DEVELOPMENT GROUND LEASE AGREEMENT (“First Amendment”)**, dated as of Feb. 7, 2023, is entered by and between the County of Riverside, a political subdivision of the State of California (“County”), and Military Freefall Solutions Inc., a California corporation (“Lessee”). The County and Lessee are sometimes collectively referred to herein as the “Parties” and individually as a “Party.”

RECITALS

WHEREAS, County owns and operates the Blythe Airport, located in the County of Riverside, State of California identified by Assessor’s Parcel Number 824-020-005 (“Blythe Airport”); and

WHEREAS, County and Lessee entered into that certain Blythe Airport Fixed Base Operation and Development Ground Lease Agreement dated January 31, 2017 (“Lease”), relating to, among other things, the lease of approximately 8 acres of vacant land existing at the Blythe Airport immediately adjacent to the airport heavy ramp;

WHEREAS, County and Lessee have agreed to amend the Lease to (i) modify this years annual Consumer Price Index (“CPI”) increase by the previous three-year average percentage change, (ii) to change the mark-to-market rate adjustment year for consistency with other County leases, (iii) to adjust the CPI to the corresponding Riverside- San Bernardino – Ontario area, and (iv) to apply an eight percent (8%) cap on annual CPI increases for non-appraisal years;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby mutually acknowledged, the Parties do hereby agree as follows:

1. Section 6(a) of the Lease is hereby amended in its entirety by the following:

Section 6(a) is amended as follows. Beginning retroactively on July 1, 2022, Lessee shall pay to Lessor a monthly rent equal to five thousand five hundred four dollars and 66/100 (\$5,504.66) (“Base Rent”), which is a 5.3% increase from the previous year, and represents an increase that is based off the previous three-year average percentage change in the Consumer Price Index, All Urban Consumers, Riverside-San Bernardino- Ontario.

All rent is due and payable in advance on the first of each month. All Rent shall be subject to a Late Fee. If not received by the Lessor by the 10<sup>th</sup> of the month, Lessee will be charged a late fee equivalent to ten percent (10%) of the delinquent rental amount, exclusive of late fees, for each month that rent is delinquent.



2. Section 6(c) of the Lease is hereby amended in its entirety by the following:

Beginning July 1, 2025 and every fifth (5th) year thereafter, the Base Rent shall be adjusted to one-twelfth (1/12) of eight percent (8%) of the then-current fair market value of the Leased Premises. Said fair market value shall be for the land and shall not include the value of the structures placed on the Leased Premises. In no event will application of this paragraph result in a monthly rental amount lower than the highest previous monthly rental amount.

A property appraisal for the purpose of establishing the adjusted Base Rent is to be performed by an independent MAI certified appraiser, knowledgeable in aviation appraising and in good standing with the American Institute of Real Estate Appraisers. The appraiser is to be procured and paid for by Lessor. Once established, said rent shall be adjusted annually in the manner set forth in Section 6(d) below. Lessee acknowledges and agrees that failure to pay such adjusted Base Rent Amount shall constitute a default hereunder.

3. Section 6(d) of the Lease is hereby amended in its entirety by the following.

Beginning July 1, 2023 and every July 1<sup>st</sup> thereafter, except for dates coinciding with the appraisals conducted every fifth year as referenced in 6(c) above, the Base Rent shall be adjusted by the percentage change in the Consumer Price Index, All Urban Consumers, Riverside-San Bernardino-Ontario Area (or then index corresponding to Riverside County) for the twelve month period ending four months before the month of rent adjustment under this paragraph. In no event will application of this paragraph result in a monthly rental amount lower than the highest previous monthly rental amount or exceed a monthly rental increase of more than eight percent (8%) from the then previous year.

4. **CAPITALIZED TERMS.** First Amendment to Prevail. Unless defined herein or the context requires otherwise, all capitalized terms herein shall have the meaning defined in the Lease, as heretofore amended. The provisions of this First Amendment shall prevail over any inconsistency or conflicting provisions of the Lease, as heretofore amended, and shall supplement the remaining provisions thereof.

5. **MISCELLANEOUS.** Except as amended or modified herein, all the terms of the Lease shall remain in full force and effect and shall apply with the same force and effect. Time is of the essence in this First Amendment and the Lease and each and all of their respective provisions. Subject to the provisions of the Lease as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the Parties hereto. If any provisions of this First Amendment or the Lease shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Lease and all such other provisions shall remain in full force and effect. The language in all parts of the Lease shall be construed according to its normal and usual meaning and not strictly

for or against either the County or Lessee. Neither this First Amendment, nor the Lease, nor any notice nor memorandum regarding the terms hereof, shall be recorded by Lessor.

6. COUNTERPARTS. This First Amendment may be executed in several counterparts each of which shall be an original, but all of such counterparts shall constitute one such First Amendment. An executed counterpart of this First Amendment transmitted by email or other electronic transmission shall be deemed an original counterpart and shall be as effective as an original counterpart of this First Amendment and shall be legally binding upon the parties hereto to the same extent as delivery of an original counterpart.

7. EFFECTIVE DATE. This First Amendment to Lease shall not be binding or consummated until its approval by the Riverside County Board of Supervisors and fully executed by the Parties.

**[Intentionally left blank]**

IN WITNESS WHEREOF, the parties have executed this **First Amendment** as of the date first written below.

Dated: 2/7/23


**LESSEE:**

**COUNTY OF RIVERSIDE**, a political subdivision of the State of California

**LESSOR:**


**Military Freefall Solutions, Inc.**, a California corporation

By:   
**KEVIN JEFFRIES**, Chairman  
Board of Supervisors

By:   
Simon Powell  
President

**ATTEST:**

**KIMBERLY A. RECTOR**  
Clerk of the Board

By:   
Deputy

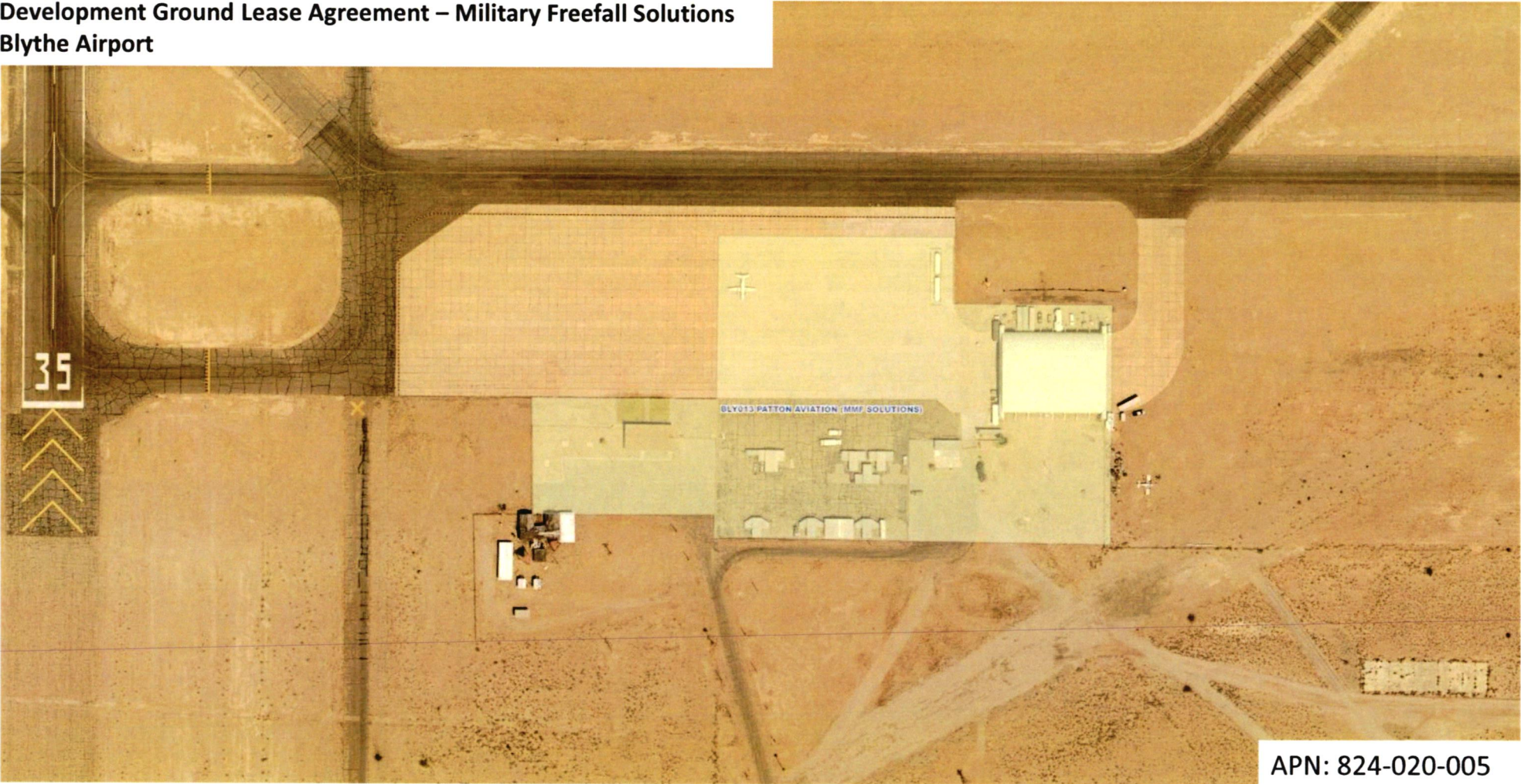
**APPROVED AS TO FORM**

Minh C. Tran  
County Counsel

By:   
Wesley Stanfield  
Deputy County Counsel



**First Amendment to the to Blythe Airport Fixed Base Operation and  
Development Ground Lease Agreement – Military Freefall Solutions  
Blythe Airport**



APN: 824-020-005