2009-2010 GRAND JURY REPORT

City of Blythe Airport

Background

The City of Blythe Airport is situated six miles to the east of the City of Blythe, adjacent to Interstate 10. The airport was built in 1930 and expanded during WWII by the Army Air Corps as a training base with two runways, each exceeding 6,000 ft. It was closed following the war and the property deeded over to the County of Riverside.

The County of Riverside leased the airport to the City of Blythe for a period of 30 years in a lease agreement dated May 20, 1997. The Riverside County Economic Development Agency (EDA) is currently reviewing this lease. The original lease specifically disallows subleases without prior approval of lessor.

In July 2009, US Solar Holdings, LLC expressed an interest in leasing from the City of Blythe 829 acres out of a total 3,904 acres in the northeast section of the airport property for the purpose of erecting a 100 megawatt solar generating plant (Photovoltaic Project) to generate electric power. (See Attachments 1 & 2) The initial sublease would be for a term of 25 years.

Findings

- The City of Blythe entered into a sublease agreement and a Community Benefits Agreement with US Solar dated November 10, 2009. The sublease is in violation of terms of the lease agreement dated May 20, 1997, between the County of Riverside and the City of Blythe.
- The EDA holds that this sublease is unacceptable to the county and in violation of the existing lease agreement between the County of Riverside and the City of Blythe. The EDA is in favor of the project and desirous of proceeding with a proper lease arrangement with the legal entities.

Recommendations

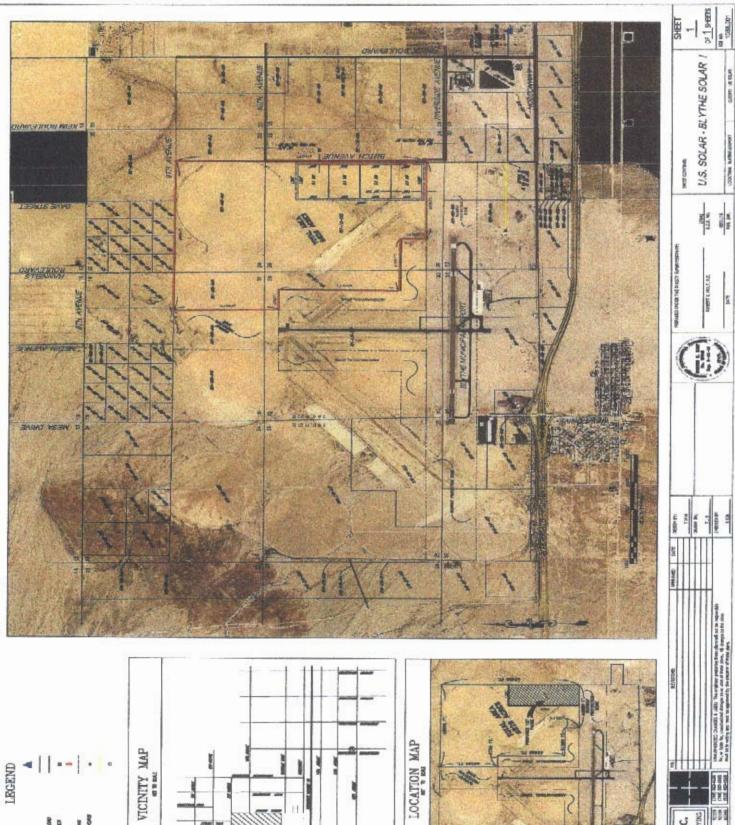
Riverside County Board of Supervisors Riverside County Economic Development Agency Blythe City Council Blythe City Manager

- The City of Blythe should cancel all not proposed sublease agreements and the Community Benefits Agreement between the City of Blythe and Southwest Land Holdings, LLC (a wholly owned affiliate of US Solar) for the airport property. The EDA should assume the role as sole leasing agency for all lease agreements between the County of Riverside and Southwest Land Holdings, LLC.
- 2. The EDA should proceed with creating a lease between the County of Riverside and Southwest Land Holding, LLC, a wholly owned affiliate of U.S. Solar, for the 829 acres and comply with the covenants imposed by the Federal Aviation Administrations (FAA). Public Law 80-289 states in part "the income from such property must be used to support the maintenance, operation, or development costs of the aeronautical property."

FEATURES IN VICINITY OF BLYTHE AIRPORT / SOLAR SITE Aerial View Looking West

ATTACHMENT 1





PROJECT