

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: AIRPORT

AGENDA DATE: June 28, 2011

CONTACT PERSON NAME AND PHONE NUMBER: Monica Lombraña/780-4724

DISTRICT(S) AFFECTED: 3

SUBJECT:

APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.

This item is a Resolution to authorize the City Manager to sign a First Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession between the City of El Paso and Simply Wheelz, LLC dba Advantage Rent A Car to allow for an option to extend the lease through August 31, 2014 and additional options for the following described property:

A portion of Lot 4, Block 1-C, El Paso International Airport Tracts, City of El Paso, County of El Paso, Texas, consisting of 64,695 square feet of land, including 3,400 square feet of building and site improvements municipally known and numbered as 6535 De Havilland, El Paso, Texas.

BACKGROUND / DISCUSSION:

Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?

The current lease expires on June 30, 2011, which coincides with the end of Simply Wheelz, LLC dba Advantage Rent A Car's Vehicle Rental Concession Agreement. The Department of Aviation is requesting to amend the lease to provide an extension through August 31, 2014, to allow the Lessee to continue to occupy the property from where they operate their administrative and rental vehicle service functions during the time it takes to complete the solicitation process for a new concession agreement, which includes the development of a consolidated rental car facility. The consolidated facility is not scheduled to be completed until the fall of 2014. To accommodate for the construction schedule, the lease amendment also provides for additional options to extend the lease until such time that the new facility will be ready to be occupied by the Lessee.

PRIOR COUNCIL ACTION:

Has the Council previously considered this item or a closely related one?

- February 9, 2010 – Approval of Maintenance Facility and Land Lease for Auto Rental Concession

AMOUNT AND SOURCE OF FUNDING:

How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?

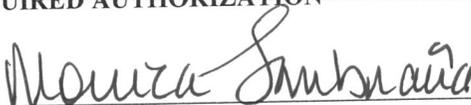
N/A – this is a revenue-generating item

BOARD / COMMISSION ACTION: N/A

Enter appropriate comments or N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:



Monica Lombraña, A.A.E.
Director of Aviation

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a First Amendment to the Maintenance Facility and Land Lease For Auto Rental Concession between the City of El Paso and Simply Wheelz LLC, dba Advantage Rent A Car, to allow for an option to extend the lease through August 31, 2014 and additional options for the following described property:

Lot 4, Block 1-C, El Paso International Airport Tracts, City of El Paso, El Paso County, Texas, municipally known as 6535 DeHavilland Dr., El Paso, Texas.

APPROVED the ____ day of _____ 2011.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Theresa Cullen

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:

Monica Lombraña

Monica Lombraña, A.A.E.
Director of Aviation

STATE OF TEXAS)
)
COUNTY OF EL PASO) **FIRST AMENDMENT TO MAINTENANCE
FACILITY AND LAND LEASE FOR AUTO
RENTAL CONCESSION**

This First Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession is made and entered into this ___ day of _____ 2011 by and between the City of El Paso (“Lessor”) and Simply Wheelz, LLC dba Advantage Rent A Car (“Lessee”).

WHEREAS, effective February 9, 2010, Lessor entered into a Maintenance Facility and Land Lease for Auto Rental Concession (“Lease”) with Lessee for the property described as a portion of Lot 4, Block 1-C, El Paso International Airport Tracts, City of El Paso, El Paso County, Texas, municipally known and numbered as 6535 DeHavilland Dr., El Paso, Texas (the “Premises”);

WHEREAS, Lessee exercised an option to extend the Lease through June 30, 2011;

WHEREAS, Lessor anticipates that it will construct a consolidated rental car facility at the El Paso International Airport, which will be occupied and used by all on-Airport rental car concessionaires, and eliminate each on-Airport rental car concessionaire’s need for its own maintenance facility;

WHEREAS, Lessor anticipates that the projected construction for the consolidated rental car facility will be completed and on-Airport rental car concessionaires will be occupying the facility by August 31, 2014; and

WHEREAS, Lessor and Lessee desire to amend the Lease to extend the term of the Lease until the construction of a consolidated rental car facility is completed,

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Article IV, Term of Leasehold, is amended to add *two new paragraphs which reflect adding* additional options to extend the Lease under Section 4.02 as follows:

Section 4.02 Option to Extend
(new paragraphs)

In the event that Lessee is not in default of any terms of this Lease during the first option to extend this Lease for one (1) additional term of one (1) year, Lessee will have the option to extend the Lease through August 31, 2014 (“Second Option Period”). Lessor and Lessee acknowledge that Lessee is exercising the Second

Option Period by the complete execution of this First Amendment, and the Lease will be extended on the same terms and conditions.

In addition, after August 31, 2014, Lessor shall have the option, exercisable in its sole and absolute discretion, to extend the term of this Agreement for six (6) two (2) month options under the same Lease terms and conditions. To exercise any of these additional options, the Director of Aviation will give written notice to Lessee of Lessor's intent not less than thirty (30) days prior to the expiration of then current option period of this Agreement. If Lessee is not willing to renew for an extension period, Lessee will be released from its obligation to extend the Agreement term, provided it gives the Director of Aviation written notice of its intent within fifteen (15) days from the notification of Lessor's intent to exercise the option.

2. Article IX, Section 9.01, Expiration, is amended in its entirety as follows:

Section 9.01 Expiration. This Lease shall expire at the end of the term or any extension thereof. However, after August 31, 2014, should Lessor exercise an option to extend the lease for a two (2) month option, Lessee may cancel the lease upon thirty (30) days written notice to Lessor.

3. Regardless of the date executed, the Effective Date of this First Amendment to the First Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession shall be July 1, 2011.
4. Except as expressly modified herein all other terms and conditions of the Lease effective February 9, 2010, shall remain in full force and effect and shall remain as written unless expressly modified herein.

IN WITNESS WHEREOF, this First Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession has been executed by the parties hereto as of this ____ day of _____ 2011.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

ATTEST:

LESSEE:
SIMPLY WHEELZ, LLC
dba Advantage Rent A Car

Name: _____

Printed Name: _____

Title: _____

ACKNOWLEDGEMENT

THE STATE OF NEW JERSEY)
)
COUNTY OF BERGEN)

This instrument was acknowledged before me on this _____ day of _____
_____, 2011, by _____ as _____
of Simply Wheelz, LLC dba Advantage Rent A Car (Lessee).

Notary Public, State of New Jersey

My Commission Expires:
