

**CITY OF EL PASO, TEXAS**  
**DEPARTMENT HEAD'S SUMMARY REQUEST FOR COUNCIL ACTION**  
**(RCA)**

**DEPARTMENT:** Airport  
**AGENDA DATE:** July 11, 2006  
**CONTACT PERSON/PHONE:** Patrick T. Abeln, A.A.E.  
**DISTRICT(S) AFFECTED:** 3



**SUBJECT:**

**Resolution authorizing the City Manager to sign a First Amendment to the La Placita Lease Agreement by and between the City of El Paso (Lessor) and Paseo Del Sol Ltd. Co. dba Galeria Del Sol (Lessee).**

**BACKGROUND / DISCUSSION:**

**Paseo del Sol ("Galeria"), a local company, was a successful tenant in the original La Placita from 1985 until its closure for remodeling in 1996. After the re-opening of the new La Placita, Galeria signed a 2-year, 6-month lease with the City effective May 1, 2004.**

**Galeria sells gold and silver jewelry from Tasco and Guadalajara, Mexico, pewter, copper and brass hand-wrought ornamental pieces, Talavera pottery, 3-dimensional art, Mayan and Aztec clay reproductions and mosaic glass art to name a sampling of the Mexican regional items in which they specialize.**

**Anticipating the expiration of their existing lease on November 30, 2006, the owners have requested a 5-year, 1-month extension of their lease to commence on December 1, 2006. Galeria occupies 861sf (\$20.00/sf) in La Placita and pays the Airport the greater of \$17,220.00 per annum or 15% of Gross Revenues. Average annual revenues are \$220,000.00 generating \$33,000.00 in percentage rental for the City, almost twice their minimum annual guarantee.**

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one? If so, when?**

**Yes. Lease extension for Integrated Airline Services approved by Council on July 5, 2006.**

**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 lease.**

**BOARD / COMMISSION ACTION:**

**This First Amendment to La Placita Agreement was presented to the Airport Advisory Board on June 22, 2006 and was approved.**

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) Ray L. Telles **FINANCE:** (if required) \_\_\_\_\_  
Raymond L. Telles, Assistant City Attorney

**OTHER:** Patrick T. Abeln, Director of Aviation \_\_\_\_\_  
(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

# 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 La Placita Lease Agreement between the City of El Paso ("Lessor"), and Paseo Del Sol dba Galeria Del Sol ("Lessee") to extend the term of the Lease Agreement an additional five (5) years and one (1) month, to expire on December 31, 2011.

ADOPTED THIS \_\_\_ day of \_\_\_\_\_ 2006.

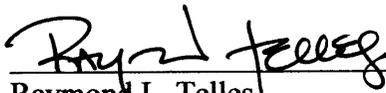
CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen, City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Raymond L. Telles  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Patrick T. Abeln, A. A. E.  
Director of Aviation

STATE OF TEXAS           §  
  §  
COUNTY OF EL PASO   §

**FIRST AMENDMENT TO  
LA PLACITA LEASE AGREEMENT**

THIS **First Amendment** to La Placita Lease Agreement is entered into this \_\_\_\_ day of \_\_\_\_\_, 2006 by and between the **CITY OF EL PASO** (“Lessor”) and **PASEO DEL SOL LTD. CO. dba GALERIA DEL SOL** (“Lessee”).

**WHEREAS**, Lessor and Lessee entered into a La Placita Lease Agreement (“Agreement”) with an effective date of May 1, 2004 to provide for the operation of a retail facility for the sale of local and regional art such as, but not limited to: Nauti three dimensional art, Talavera pottery, hand punched tin art, hand-crafted Mexican folk art, Mexican pewter, copper, and brass hand-wrought ornamental pieces, mosaic glass art, and Mayan and Aztec clay art reproductions within La Placita Shopping Mall in the terminal building of the El Paso International Airport; and

**WHEREAS**, pursuant to Section 2.01 of the Agreement, the term of the La Placita Lease Agreement will expire on November 30, 2006, without an option to extend; and

**WHEREAS**, the Lessee has requested that the Agreement be extended for an additional five (5) years and Lessor feels the extension would be beneficial to the operation of La Placita Shopping Mall at the El Paso International Airport;

**NOW THEREFORE**, for and 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. **Extension of the Term of the Agreement.** The term of the Agreement is hereby extended for an additional period of five (5) years and one (1) month from the date of expiration originally noted within the Agreement. The term of the Agreement shall now expire on December 31, 2011.
2. **Remaining Terms and Conditions.** All remaining terms and conditions of the Agreement, not specifically revised by this First Amendment to La Placita Lease Agreement, shall remain unchanged and in full force and effect.

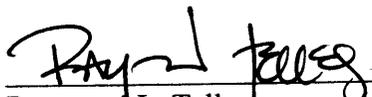
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IN WITNESS WHEREOF, the parties have hereunto set their hands as of the date first noted above.

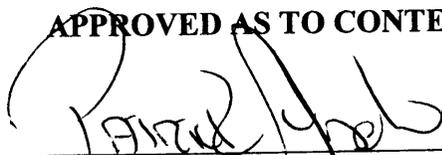
**LESSOR: CITY OF EL PASO**

\_\_\_\_\_  
Joyce A. Wilson, City Manager

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Raymond L. Telles  
Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Patrick T. Abeln, A.A.E.  
Director of Aviation

**ACKNOWLEDGMENT**

THE STATE OF TEXAS    )  
                                  )  
COUNTY OF EL PASO    )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2006,  
by **Joyce A. Wilson** as **City Manager** of the **City of El Paso**.

\_\_\_\_\_  
Notary Public

My Commission Expires:  
\_\_\_\_\_

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

