

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

DEPARTMENT: AVIATION
AGENDA DATE: AUGUST 27, 2013
CONTACT PERSON NAME AND PHONE NUMBER: Monica Lombraña/780-4724
DISTRICT(S) AFFECTED: ALL

SUBJECT:

Approve a Resolution authorizing the City Manager to sign a Mutual Lease Termination covering the Industrial Site Lease by and between the City of El Paso ("Lessor") and Coronado Financial ("Lessee"). This land at 6400 Boeing is used by El Paso Water Utilities (EPWU) for its Customer Service Center and terms for its use are included in an Interdepartmental Memorandum.

EPWU pays \$30,058.48 annually (\$0.3770/SF). This will be adjusted in August 2015, and each fifth anniversary thereafter, based upon the change in CPI-U with a 20% cap. This expires July 31, 2030, with an EPWU option to extend for an additional ten years. The rental rate for the option period will be based upon a Fair Market Value appraisal of the land, however not less than the rate then in effect.

BACKGROUND / DISCUSSION:

EPWU purchased the building at 6400 Boeing from Coronado Financial on March 3, 2008, however the Industrial Site Lease was not assigned. This action completes the transaction by a Mutual Termination of the Industrial Site Lease between the City and Coronado Financial. The Memorandum from the City Manager retains the term and ground rental of the Lease, however updates the escalation clause and the rate for the option period.

PRIOR COUNCIL ACTION:

Industrial Site Lease with Scoppa/Bingham Joint Venture approved July 31, 1990
First Amendment approved April 9, 1996
Lessor's Approval of Assignment to Coronado Financial approved March 20, 2001

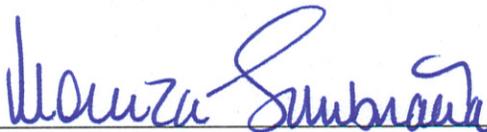
AMOUNT AND SOURCE OF FUNDING:

NA – Revenue generating

BOARD / COMMISSION ACTION: N/A

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

DEPARTMENT HEAD: _____



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

RESOLUTION

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

That the City Manager be authorized to sign a Mutual Lease Termination covering the Airport Industrial Site Lease by and between the City of El Paso ("Lessor") and Coronado Financial, a Texas general partnership ("Lessee") for the property described as Lots 1 and 2, Block 5, El Paso International Airport Tracts Replat "A", municipally known and numbered as 6400 Boeing Drive, City of El Paso, El Paso County, Texas.

APPROVED this the _____ day of _____ 2013.

THE CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



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

STATE OF TEXAS)
)
COUNTY OF EL PASO)

MUTUAL LEASE TERMINATION

This Mutual Lease Termination (“Termination”) is made this _____ day of _____ 2013, by and between the **CITY OF EL PASO** (“Lessor”) and **CORONADO FINANCIAL**, a Texas General Partnership (“Lessee”).

WHEREAS, Lessor and Scoppa/Bingham Joint Venture entered into an Airport Industrial Site Lease (“Lease”), effective August 1, 1990 covering the following described property: Lots 1 and 2, Block 5, El Paso International Airport Tracts, Replat of Unit 4, City of El Paso, El Paso County, Texas (“Leased Premises”);

WHEREAS, in order to secure performance by Scoppa/Bingham Joint Venture in connection with its indebtedness, Scoppa/Bingham Joint Venture executed a Collateral Lease Assignment to Montwood Bank dated August 28, 1990;

WHEREAS, the Lease was amended by that First Amendment to Lease dated April 9, 1996 which amended the description of the Leased Premises to reflect a replat of the Leased Premises, described as Lots 1 and 2, Block 5, El Paso International Airport Tracts, Unit 4, Replat “A” and municipally known and numbered as 6400 Boeing Drive, El Paso, El Paso County, Texas;

WHEREAS, the Lease was subsequently assigned to Coronado Financial by that Lessor’s Approval of Assignment dated March 20, 2001;

WHEREAS, on March 3, 2008, Lessee sold its improvements on the Leased Premises to the El Paso Water Utilities Public Service Board (“EPWU/PSB”), but Lessee did not assign its interest in the Lease;

WHEREAS, since March 3, 2008, EPWU/PSB acknowledges that it has been in continuous possession and control of the Premises, the Building and all other improvements located on the Premises, and it has assumed all duties and responsibilities for use of the Premises and all Improvements including compliance with the terms and conditions of the Lease;

WHEREAS, the Lease expires July 31, 2030, but Lessee desires to terminate the Lease and all rights to possession of the Leased Premises and to release the Leased Premises to the Lessor; and

WHEREAS, Lessor has evaluated the situation and determined that it will be beneficial for the Lessor to accept the Termination and to release Lessee from its obligations under the Lease, except as otherwise specifically stated herein because the EPWU/PSB has accepted responsibility for the Leased Premises since March 3, 2008.

IT IS THEREFORE AGREED:

In consideration of the mutual promises, covenants, conditions, and other consideration set forth in this Termination:

1. Lessee shall surrender the Lease as of August 31, 2013. Lessor and Lessee acknowledge that Lessee has not been in possession of the Leased Premises since March 3, 2008; however, Lessee has required the EPWU/PSB, which has been in continuous possession and control of the Premises, the Building and all other improvements located on the Premises to assume all duties and responsibilities for use of the Premises and all improvements in accordance with the terms and conditions of the Lease since March 3, 2008.
2. Lessor shall accept the surrender of the Leased Premises.
3. Lessor and Lessee shall discharge and release each other from all obligations under the Lease as of March 3, 2008 except as otherwise agreed to in this Mutual Lease Termination document.
4. Lessee agrees to indemnify and hold the Lessor harmless for any and all claims or causes of action arising out of the Lease including, but not limited to, arising out of Lessee's use, occupancy, subleasing, assigning or mortgaging of the Leased Premises; including but not limited to the payment of taxes which accrued during the Lease term through March 3, 2008. Lessee agrees to defend Lessor against any such claims and to defend the Lessor in any legal actions which may be brought against Lessor, including attorney's fees and court costs, or fees or claims arising out of the Lease. Lessee shall provide written confirmation to Lessor of payment for all taxes.
5. All provisions of the Lease and its amendment which expressly or impliedly contemplate or require performance after the cessation, expiration, cancellation, or termination of the Lease hereunder shall survive such cessation, expiration or termination of the Lease, including without limitation, Articles VI and X during the Lease term through March 3, 2008.
6. The person signing this Termination on behalf of Lessor and Lessee warrants that he or she has the authority to do so and to bind the party represented.

IN WITNESS WHEREOF, this Mutual Lease Termination has been executed by the parties hereto as of the date, month and year first hereinabove written.

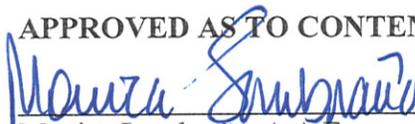
CITY OF EL PASO:

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



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

LESSOR'S ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this _____ day of _____
2013, by Joyce A. Wilson as City Manager of the City of El Paso, Texas.

My Commission Expires:

Notary Public, State of Texas
Notary's Printed Name: _____

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

LESSEE: CORONADO FINANCIAL, a
Texas General partnership

By: A. Clarke Harvey
Printed Name: A. Clarke Harvey
Title: Partner

LESSEE'S ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this 14th day of August
2013 by Harvey H. Clarke, as Partner of Coronado Financial, a Texas
General Partnership.

Rosa E Villa
Notary Public, State of Texas
Notary's Printed Name:
Rosa E Villa

My Commission Expires:

