

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

**DEPARTMENT:** Airport  
**AGENDA DATE:** September 2, 2008  
**CONTACT PERSON/PHONE:** Patrick T. Abeln-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.

That the City Manager be authorized to sign the First Amendment to the General Aviation Commercial Ground Lease by and between the City of El Paso (Lessor) and Air Parts of El Paso, Ltd. (Lessee) for the purpose of adding a ten (10) year option to extend. The lease covers approximately 60,050 square feet of land at a present rental rate of \$0.36 per square foot or \$21,211.02 per year.

**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?

The City of El Paso entered into a General Aviation Commercial Ground Lease with Air Parts of El Paso, Ltd. in April 1982. The initial Lease had a primary term of twenty-five (25) years and one ten (10) year option to extend, which option period commenced on April 1, 2007. The same individual leases this and the adjacent leasehold on separate leases. Air Parts of El Paso is a limited partnership that owns the building at 1776 American Drive and subleases it to Advanced Aircraft Services who, in turn, provides aviation maintenance and repair services to all types of general aviation. The adjacent lease is to expire on a different date as this lease and, therefore, the tenant is requesting that the City approve the addition of a ten year option so that the 2 separate leases can run concurrently.

**PRIOR COUNCIL ACTION:**

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

Yes. The First Amendment to General Aviation Ground Lease Agreement between the City of El Paso (Lessor) and ATI Jet, Inc. (Lessee) was approved by Council in January, 2008.

**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.

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**BOARD / COMMISSION ACTION:**

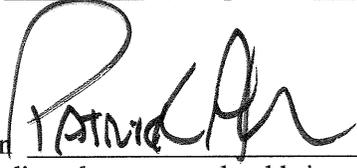
Enter appropriate comments or N/A

The First Amendment to General Aviation Commercial Ground Lease by and between the City of El Paso and Air Parts of El Paso, Ltd. was approved by the Airport Board on July 31, 2008.

**COUNCIL ACTION REQUIRED:** City Council did not delegate the authority to sign airport leases, concession agreements or operating agreements.

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

**LEGAL:** (if required)  **FINANCE:** (if required) \_\_\_\_\_  
Raymond L. Talles, Asst. City Attorney

**OTHER:** Patrick T. Abeln, A. A. E., 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:** \_\_\_\_\_

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## RESOLUTION

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

That the City Manager be authorized to sign the First Amendment to the General Aviation Commercial Ground Lease by and between the City of El Paso (Lessor) and Air Parts of El Paso, Ltd. (Lessee) for the purpose of adding a ten (10) year option to extend.

**ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_ 2008.**

THE CITY OF EL PASO

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

ATTEST:

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

APPROVED AS TO FORM:

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

STATE OF TEXAS )  
 )  
COUNTY OF EL PASO )

**FIRST AMENDMENT TO GENERAL  
AVIATION COMMERCIAL GROUND LEASE**

This First Amendment to the General Aviation Commercial Ground Lease ("First Amendment") is made by and between the City of El Paso ("Lessor") and Air Parts of El Paso, Ltd. ("Lessee") on this \_\_\_\_ day of \_\_\_\_\_, 2008.

**WHEREAS**, Lessor and Lessee entered into a General Aviation Commercial Ground Lease ("Lease") with an effective date of April 1, 1982 granting Lessee the right to operate and maintain certain operations on the following described property:

Parcel 2C, being a portion of Lot 2, Block 4, El Paso International Airport Tracts Unit 10, City of El Paso, El Paso County, Texas, which is municipally known and numbered as 1776 American Drive;

**WHEREAS**, the Lease includes a primary term of twenty-five (25) years and one ten (10) year option to extend, with such option period having commenced on April 1, 2007; and

**WHEREAS**, the Lessor and Lessee now desire to amend the Lease for the purpose of adding an additional option period for an additional ten (10) year period;

**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:

- I. **ADDITIONAL OPTION PERIOD.** Lessor and Lessee mutually agree that Article IV, Section B. "Option" be revised to include the following language:

In the event that Lessee is not in default of any terms of this Lease, Lessee shall have the option to extend this Lease for an additional, second option period of ten (10) years by notifying Lessor in writing at least one hundred and twenty (120) days prior to the expiration of the first option period. In the event Lessee exercises this second option, the Lease shall be extended for an additional ten (10) years on the same terms and conditions, except that the annual rental for such ten (10) year extension shall be equal to a full eight percent (8%) of the then fair market value of the land leased, without regard to the rental adjustment provisions and limitations set forth in Article V, Paragraph C, and without regard to the value any improvements existing on such land. In no event, however, shall the adjusted Ground Rent during this second option period be less than the Ground Rent in place for the ten (10) year period immediately preceding the second option period as established in the first option period.

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Lessee's second option to extend the Lease shall terminate if Lessee fails to notify Lessor in writing one hundred twenty (120) days before the expiration of the first option period. Time is of the essence with regard to the one hundred twenty (120) day notice requirement.

- II. **EFFECTIVE DATE.** Regardless of the date of execution, this First Amendment shall be effective on September 1, 2008.
  
- III. **TERMS AND CONDITIONS.** All remaining terms and conditions of the Lease not specifically amended by this First Amendment shall remain in full force and effect.

(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

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IN WITNESS WHEREOF, this First Amendment was approved on the date first noted above.

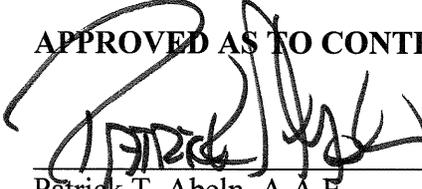
**CITY OF EL PASO**

\_\_\_\_\_  
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**

STATE OF TEXAS     )  
                                  )  
COUNTY OF EL PASO    )

This instrument was acknowledged before me on this \_\_\_\_ day of \_\_\_\_\_ 2008, by **Joyce A. Wilson** as **City Manager** of the **City of El Paso** (Lessor).

\_\_\_\_\_  
Notary Public, State of Texas

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(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

LESSEE: AIR PARTS OF EL PASO, LTD.

By: [Signature]  
Name: Robert F. Larsen Jr.  
Title: Managing Partner

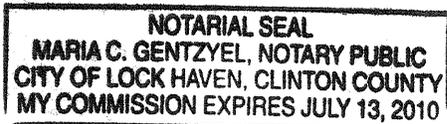
**ACKNOWLEDGMENT**

STATE OF PENNSYLVANIA )  
COUNTY OF CLINTON )

This instrument was acknowledged before me on this 5<sup>th</sup> day of AUGUST 2008, by ROBERT F. LARSEN, JR. as MANAGING PARTNER of **Air Parts of El Paso, Ltd.** (Lessee).

[Signature: Maria C. Gentzyl]  
Notary Public, State of PA

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



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