

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

DEPARTMENT: AIRPORT

AGENDA DATE: September 13, 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 Third Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession between the City of El Paso and DTG Operations, Inc. dba Dollar Rent A Car dba Thrifty Car Rental to revise the identified time period for the Lessee to exercise an option to extend this Lease through August 31, 2014 (Third Option Period) for the following described property:

Lot 4, Block 1-B, El Paso International Airport Tracts, City of El Paso, El Paso County, Texas consisting of 33,114 square feet of land including 2,476 square feet of building and site improvements; municipally known and numbered as 6511 Allegheny Dr., 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 Second Amendment to the Lease required a sixty (60) day notice from Lessee to exercise an option to extend the Lease through August 31, 2014 under the same terms and conditions. The Lessee currently leases 33,114 square feet of land at \$0.36/SF for an annual rental rate of \$11,921.04 and 2,476 square feet of office spaces at \$9.00/SF for an annual rental fee of \$22,284.00. The Department of Aviation is requesting to revise the identified time period to thirty (30) days as the procurement period for the Vehicle Rental Concession contracts was extended and the contract award date was moved to October 25, 2011. This amendment will allow the Lessee to learn if they were successful in securing a Vehicle Rental Concession at the El Paso International Airport as the property leased under this agreement supports said concession operation.

PRIOR COUNCIL ACTION:

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

- September 12, 2006 – Approval of Maintenance Facility and Land Lease for Auto Rental Concession effective September 1, 2006.
- June 29, 2010 – Approval of First Amendment to Maintenance Facility and Land Lease for Auto Rental Concession to allow for one (1) one (1) year option to extend the lease through June 30, 2011.
- June 28, 2011 – Second Amendment to Maintenance Facility and Land Lease for Auto Rental Concession to extend the lease through November 30, 2011 and additional options to extend.

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 Third Amendment to the Maintenance Facility and Land Lease For Auto Rental Concession between the City of El Paso and DTG Operations, Inc., dba Dollar Rent A Car dba Thrifty Car Rental, to revise the identified time period for the Lessee to exercise an option to extend this Lease through August 31, 2014 ("Third Option Period") for the following described property:

Lot 4, Block 1-B, El Paso International Airport Tracts, City of El Paso, El Paso County, Texas, municipally known as 6511 Allegheny Dr., El Paso, Texas.

APPROVED the ____ day of _____ 2011.

CITY OF EL PASO

John F. Cook
Mayor

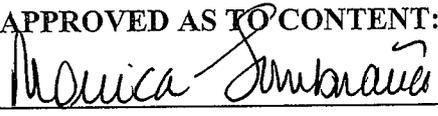
ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



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

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

This Third 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 DTG Operations, Inc. dba Dollar Rent A Car dba Thrifty Car Rental (“Lessee”).

WHEREAS, effective September 1, 2006, Lessor entered into a Maintenance Facility and Land Lease for Auto Rental Concession (“Lease”) with Lessee for the property described as Lot 4, Block 1-B, El Paso International Airport Tracts, City of El Paso, El Paso County, Texas, municipally known and numbered as 6511 Allegheny Dr., El Paso, Texas (the “Premises”);

WHEREAS, on June 29, 2010, the Lease was amended to allow for an option to extend the Lease for an additional year and the Lease will expire June 30, 2011;

WHEREAS, Lessor anticipates that it will construct a consolidated rental car facility at the El Paso International Airport that 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, on June 28, 2011, Lessor and Lessee amended the Lease to extend the term of the Lease until the construction of a consolidated rental car facility is completed; and

WHEREAS, the scheduling for the projected construction of the consolidated rental car facility has been revised, and the timing for notices to exercise an option to extend the lease needs to be revised accordingly,

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 revise the identified time period for the Lessee to exercise an option to extend this Lease through August 31, 2014 (“Third Option Period”). The paragraph identified in the Second Amendment to this Lease under Section 4.02 is revised as follows:

Section 4.04 Option to Extend
(revised paragraph)

In addition, after November 30, 2011, if Lessee is not in default of any terms of this Lease, Lessee shall have the option to extend this Lease through August 31, 2014 on the same terms and conditions ("Third Option Period"). Lessee may exercise the Third Option Period by notifying Lessor in writing at least **thirty (30)** days prior to the expiration of the Second Option Period. In the event Lessee exercises its third option, the Lease shall be extended through August 31, 2014 on the same terms and conditions, except that Ground Rental shall be adjusted as noted below.

2. Regardless of the date executed, the Effective Date of this Third Amendment to the Maintenance Facility and Land Lease for Auto Rental Concession shall be September 15, 2011.
3. Except as expressly modified herein all other terms and conditions of the Lease as amended by that First Amendment dated June 29, 2010 and the Second Amendment dated June 28, 2011, shall remain in full force and effect and shall remain as written unless expressly modified herein.

IN WITNESS WHEREOF, this Third 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]

LESSOR: CITY OF EL PASO

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



Monica Lombraña, 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 _____
2011 by Joyce A. Wilson, as City Manager of the City of El Paso (Lessor).

Notary Public, State of Texas

My Commission Expires:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

