

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

DEPARTMENT: Aviation

AGENDA DATE: October 25, 2011

CONTACT PERSON/PHONE: Monica Lombraña, A.A.E. -780-4793

DISTRICT(S) AFFECTED: All

SUBJECT:

Resolution authorizing the City Manager to sign the Third Amendment to the La Placita Lease Agreement (Agreement) by and between the City of El Paso (City) and Paseo del Sol, Ltd. Co. dba La Zia (Lessee) to extend the term of the Agreement for an additional year through December 31, 2012.

BACKGROUND / DISCUSSION:

The City and Lessee entered into the Agreement effective November 1, 2002 for a retail facility located within the La Placita Shopping Mall in the terminal building of the Airport, with a term expiring on September 30, 2004. The First Amendment to the Agreement corrected an error made in stating the lease term. The Lessee exercised an option in the Agreement which extended the term through December 31, 2006. The Second Amendment to the Agreement extended the term through December 31, 2011. The Lessee has requested a one year extension of the term and Airport staff feels the extension would be beneficial to the operation of the La Placita Shopping Mall.

Rentals to be paid to the City are \$20.00 per square foot of leased space per annum (Minimum Annual Guarantee or MAG) or 15% of Gross Receipts whichever is greater. The MAG is \$13,740.00 per year (\$20.00 psf x 687 sq. ft.)

PRIOR COUNCIL ACTION:

October 29, 2002 – Resolution authorizing the Mayor to sign the Agreement
April 15, 2003 - Resolution authorizing the Mayor to sign the First Amendment to the Agreement
July 11, 2006 - Resolution authorizing the City Manager sign the Second Amendment to the Agreement

AMOUNT AND SOURCE OF FUNDING:

N/A Revenue Generating

BOARD / COMMISSION ACTION:

N/A

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

DEPARTMENT HEAD:



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

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 La Placita Lease Agreement between the City of El Paso and Paseo Del Sol, Ltd. Co. dba La Zia to extend the term of the Lease Agreement an additional one (1) year through December 31, 2012.

ADOPTED THIS ____ day of _____ 2011.

CITY OF EL PASO

John F. Cook
Mayor

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
LA PLACITA LEASE AGREEMENT**

THIS Third Amendment to La Placita Lease Agreement is entered into this ____ day of _____, 2011, by and between the **CITY OF EL PASO** (“Lessor”) and **PASEO DEL SOL, LTD. CO. dba LA ZIA** (“Lessee”).

WHEREAS, Lessor and Lessee entered into a La Placita Lease Agreement (“Agreement”) with an Effective Date of November 1, 2002 to provide for the operation of a retail facility for the sale of pottery, blankets, crafts, miscellaneous quality souvenirs, goods, and jewelry of a Southwestern, New Mexican, and Mexican theme within La Placita Shopping Mall in the terminal building of the El Paso International Airport;

WHEREAS, on April 15, 2003 the Agreement was amended by the First Amendment to the La Placita Lease Agreement to correct an error made in stating the term of the lease;

WHEREAS, on July 11, 2005 the Agreement was amended by the Second Amendment to the La Placita Lease Agreement to extend the term of the Agreement, as revised by the First Amendment, through December 31, 2011; and

WHEREAS, the Lessee has requested that the Agreement be extended for an additional one (1) year 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 one (1) year from the date of expiration of the option period. The term of the Agreement shall now expire on December 31, 2012.
2. **Remaining Terms and Conditions.** All remaining terms and conditions of the Agreement, as amended by the First Amendment and Second Amendment to La Placita Lease Agreement, not specifically revised by this Third Amendment to La Placita Lease Agreement, shall remain unchanged and in full force and effect.

3. Regardless of the date executed, the Effective Date of this Third Amendment to the La Placita Lease Agreement shall be January 1, 2012.

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:

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 27TH day of SEPTEMBER, 2011, by **Joyce A. Wilson** as **City Manager** of the **City of El Paso**.



Notary Public

My Commission Expires:
July 11, 2014

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

LESSEE: PASEO DEL SOL, LTD. CO.
dba LA ZIA

ATTEST:

Robert Southard
Printed Name: Robert Southard

By: Steven A Rose
Printed Name: STEVEN A ROSE
Title: MEMBER

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this 27TH day of SEPTEMBER, 2011,
by STEVE ROSE as _____ of **Paseo Del Sol, Ltd. Co. dba La Zia.**

Notary Public B Varner
State of ARIZONA

My Commission Expires:
July 11, 2014

