

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

**DEPARTMENT:** Aviation

**AGENDA DATE:** December 10, 2013

**CONTACT PERSON NAME AND PHONE NUMBER:** Monica Lombraña, 780-4724

**DISTRICT(S) AFFECTED:** All Districts

**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 Temporary Land Use Lease by and 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 December 31, 2015, and to allow for additional options to extend the lease term for the following described property:

A portion of Tract 4A26, Block 2, Ascarate Grant, and a portion of Block 1D, El Paso International Airport Tracts, Unit 5, City of El Paso, El Paso County, 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?**

DTG Operations, Inc. operates the Dollar Rent A Car/Thrifty Car Rental concession at the El Paso International Airport. As part of their operation, they lease space across the street from their existing service facility on Allegheny Drive to use as overflow storage for their fleet. The Department of Aviation is requesting to amend the land lease for this vehicle storage area, which expires on August 31, 2014, to provide an option to extend through December 31, 2015, to allow the concessionaire to continue to occupy the property to support its airport rental car concession during the time it takes to complete the design and construct the consolidated rental car agency complex (ConRAC).

The ConRAC is scheduled to be completed at the end of 2015. To accommodate for any delays in the construction schedule, the lease amendment also provides for additional options to extend the lease until such time that the new facility will be ready to be occupied by the Lessee.

As this extension is being requested to accommodate the Concessionaire until such time that the ConRAC has been constructed and available for move in, the rental rate will remain as follows:

- 16,825 square feet x \$0.51/square for/annum = \$8,580.75 per year or \$715.06 per month.

It is beneficial to both the Lessor and the Lessee that the Lessee remains at the Airport during the construction of the ConRAC so that the Lessee can continue to provide uninterrupted service to the travelling public using the airport rental car concessions. Under the current concession agreement, the Concessionaire pays the Airport a minimum concession fee of \$462,745.00 per year.

**PRIOR COUNCIL ACTION:**

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

- 9/13/2011 – Second Amendment to Temporary Land Use lease to extend term through 8/31/2014.
- 10/25/2011 - Award of Vehicle Rental Concession Agreement under Solicitation 2011-239R to DTG Operations, Inc. effective December 1, 2011.

**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

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**BOARD / COMMISSION ACTION:**

Enter appropriate comments or N/A  
N/A

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\*\*\*\*\*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 Temporary Land Use Lease 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 December 31, 2015, and to allow for additional options to extend the lease term for the following described property:

A portion of Tract 4A26, Block 2, Ascarate Grant, and a portion of Block 1D, El Paso International Airport Tracts, Unit 5, City of El Paso, El Paso County, Texas.

APPROVED the \_\_\_\_ day of \_\_\_\_\_ 2013.

### CITY OF EL PASO

\_\_\_\_\_  
Oscar Leeser  
Mayor

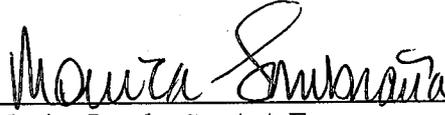
### ATTEST:

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

### APPROVED AS TO FORM:

\_\_\_\_\_  
Theresa Cullen  
Deputy City Attorney

### APPROVED AS TO CONTENT:

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

STATE OF TEXAS            )  
  )  
COUNTY OF EL PASO        )        **THIRD AMENDMENT TO TEMPORARY  
  )        LAND USE LEASE**

This Third Amendment to the Temporary Land Use Lease is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 2013, 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 July 1, 2010, Lessor entered into a Temporary Land Use Lease (“Lease”) with Lessee for the property described as a portion of Tract 4A26, Block 2, Ascarate Grant, and a portion of Block 1D, El Paso International Airport Tracts, Unit 5, City of El Paso, El Paso County, Texas (the “Premises”); and

**WHEREAS**, on June 28, 2011, a First Amendment to the Lease was approved to extend the term of the Lease;

**WHEREAS**, on September 13, 2011, a Second Amendment to the Lease was approved to again extend the term of the Lease;

**WHEREAS**, Lessor anticipates that the projected construction for the consolidated rental agency complex (the “ConRAC”) will be completed and all on-Airport vehicle rental concessionaires will be occupying the ConRAC by February, 2016, and

**WHEREAS**, because it is beneficial to Lessor for Lessee to remain at the Airport until the construction of the ConRAC is completed and to also have the same expiration date for all on-Airport vehicle rental concessionaires with maintenance facilities and temporary land use agreements at the Airport, Lessor and Lessee desire to amend the Lease to extend the term of the Lease and to allow flexibility in extending the Lease term until the construction of the ConRAC is completed and not adjust the rental for the extended term.

**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 III, Term of Leasehold, is amended to revise the identified time period for the Lessee to exercise an option to extend this Lease through December 31, 2015 (“Third Option Period”). The paragraph identified in the Second Amendment to this Lease under Section 3.01, as revised, shall be revised to include the following additional paragraph:

**Section 3.01 Option to Extend**  
*(additional paragraph)*

After August 31, 2014, if Lessee is not in default of any terms of this Lease, Lessee shall have the option to extend this Lease through December 31, 2015 (“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 of the Second Option Period. In the

event Lessee exercises this option, the Lease shall be extended on the same terms and conditions, except that Ground Rentals shall be adjusted as noted below.

In addition, after December 31, 2015, Lessor shall have the option, exercisable in its sole and absolute discretion, to extend the term of this Lease for four (4) three (3) month options under the same Lease terms and conditions, except the Ground Rental shall be adjusted as noted below. To exercise any of these additional options, the Director of Aviation (the "Director") will give written notice to Lessee of Lessor's intent not less than thirty (30) days prior to the expiration of the then current option period of this Lease. If Lessee is not willing to renew for an extension period, Lessee will be released from its obligation to extend the Lease term, provided it gives the Director written notice of its intent within fifteen (15) days from the receipt of notification of Lessor's intent to exercise the option.

2. Article IV, Rentals, is amended to add *a new paragraph that identifies the annual rental for the Third Option Period and additional options to extend the Lease at the Lessor's request* under Section 4.01 as follows:

**Section 4.01 Rental**  
(new paragraph)

For the purpose of computing the annual rental for the Third Option Period to be paid by Lessee to Lessor for the Premises ("Rental"), Lessor and Lessee agree that the annual rental for the Third Option Period shall be \$8,580.75 per year.

If Lessor should choose to extend the Lease term for a three (3) month extension period after December 31, 2015, Lessee shall pay \$715.06 per month.

3. Article IV, Rentals, is amended to add *a new paragraph that identifies the monthly rental for the Third Option Period and any additional options to extend the Lease at Lessor's request* under Section 4.03 as follows:

**Section 4.03 Time of Payment**  
(new paragraph)

The Rental amount for the Third Option Period shall be paid monthly in advance on or before the first day of each month in a sum equal to one-twelfth of the Rental. The Rental amount due shall be \$715.06 per month.

If Lessor should choose to extend the Lease term for a three (3) month extension period after December 31, 2015, Lessee shall pay \$715.06 per month.



