

TO: JAMES L. APP, CITY MANAGER
FROM: ROGER OXBORROW, AIRPORT MANAGER
SUBJECT: SHORT-TERM LEASE AGREEMENT(S) - AIRPORT
DATE: JANUARY 4, 2000

Needs: For the City Council to adopt attached Resolution which authorizes and agrees to the terms and conditions of the attached short-term lease agreements for the rental of storage/operations space at the Municipal Airport

- Facts:**
1. The City of Paso Robles continues to operate the Municipal Airport for the aid and benefit of the public and their air transportation needs.
 2. Certain needs for storage/operations space for aviation concerns can be met with available facilities on the Airport.
 3. The relationship between the City and the individual tenants must be formally defined through the approved lease agreement document.
 4. The short-term arrangement of the subject agreements allows for flexibility in providing for more significant uses that may become available in the future.

Analysis and

Conclusion: The demand for short-term available space on the Airport continues to grow. With the current availability of space at the City's disposal, it is prudent to allow certain uses such limited access to select space in this interim, until more viable, long-term operations materialize. The lease agreement provides the terms, conditions, and proper protection of the City and the tenant during this time. All agreements are able to cancel with a notice of 30 days. Rental rates remain comparable to similar occupancies elsewhere in the marketplace.

Policy Reference: None

Fiscal Impact: Given the small areas that are addressed in the subject agreements, the rents that are to be realized may be not considered significant, however, they remain reasonably close to current market prices, and they represent approximately \$6,800 in additional annual revenue to the Airport.

- Options:**
- A. Approve the attached Resolution, approving the subject short-term lease agreements, and authorizing the appropriate execution, thereof.
 - B. Reject the proposed resolution as presented.
 - C. Amend, modify, or reject the above options.

Attachments: (3)

RESOLUTION NO. 00-

A RESOLUTION OF THE CITY OF EL PASO DE ROBLES
APPROVING SHORT-TERM LEASE AGREEMENT(S) FOR STORAGE/OPERATIONS AREA
AT THE MUNICIPAL AIRPORT

WHEREAS, the City of Paso Robles continues to operate the Municipal Airport for the aid and benefit of the public and their air transportation needs; and

WHEREAS, the City of Paso Robles has determined that certain facilities areas may be available on a short-term basis for rental to individual entities for aircraft storage and/or associated operations; and

WHEREAS, the approved lease agreement provides standard provisions for the protection and benefit of the City and the individual tenant.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that short-term lease agreements at the Municipal Airport for:

1. DP Industries, Inc., for space rental in the hangar at 4990 Wing Way;
2. Del Rio Aviation, for space rental in the hangar at 4990 Wing Way;

are hereby approved, together with all of the terms and conditions as set forth within the respective documents; and the requisite execution and implementation of the subject agreements, is authorized, as required.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 4th day of January, 2000 by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

Duane Picanco, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

CITY OF EL PASO DE ROBLES

SHORT-TERM LEASE AGREEMENT
FOR STORAGE OF AIRCRAFT

THIS LEASE is made and entered into this 1st day of December 1999, by and between the CITY OF EL PASO DE ROBLES, a political subdivision of the State of California, hereinafter referred to as LESSOR, and DP INDUSTRIES, Inc., hereinafter referred to as LESSEE.

LESSOR and LESSEE agree to the following terms and conditions with regard to the rental space:

In the consideration of the payment of monthly rental fee, LESSOR agrees to rent, on a month to month basis, the below-described Hangar Space on the terms and conditions contained herein.

HANGAR SPACE

LESSOR rents to LESSEE a designated area (herein "Hangar Space") of its hangar facility located at 4990 Wing Way, Paso Robles, California, as outlined in the attached Exhibit "A", for the purpose of storing and repairing the following aircraft (herein "Aircraft"):

Aircraft No.: N71KA Make: Beech Model: C-90
Registered Owner: David or Cathy Paine
Address: 6685 El Pomar, Templeton, CA 93465
Home Phone: 239-2274 Business Phone: 238-9011
Aircraft Insurance Company: Reliance Indemnity Co.
Address: _____
Type of insurance carried: Aircraft Liability

TERMS AND CONDITIONS

1. In addition to the storage and repair of the Aircraft, the storage of incidental support equipment within the immediate area adjacent to the Aircraft is also authorized. Such storage is subject to space availability, as may be determined by the LESSOR. LESSEE shall use the Hangar Space for no other purposes without the written consent of LESSOR.
2. Either party may cancel this Agreement by giving a thirty (30) day written notice to the other party.
3. The monthly rental for the space hired by LESSEE is Three Hundred Dollars (\$ 300.00) payable monthly in advance, with the first payment, on a prorated basis to the first day of the following month, made concurrently with the execution of this Lease Agreement, receipt of which is acknowledged.
4. In the event rental payment is not received by the 20th day of the month in which the same has become due and payable, such rental payments will be considered as delinquent, and, in addition to the rental then due, there will be an additional service charge of Twenty Dollars (\$ 20.00) to reimburse LESSOR for the cost of bookkeeping and other administrative services for the payments received after the 20th day of each calendar month. Failure to pay the rental payment by the 25th day of each calendar month will also constitute a basis for termination of this Lease Agreement. If the Lease Agreement is terminated by LESSOR for failure of LESSEE to pay the monthly rental, then and in that event, LESSOR will have the right to immediately remove the aircraft and all of the property of LESSEE; to store said property at LESSEE'S sole expense, save and except such property as may be necessary in order to satisfy the lien provided for in this Lease Agreement for unpaid rental to LESSOR.
5. LESSEE agrees, at LESSEE'S expense, to keep the Hangar Space in a neat and clean condition, and shall be responsible for the clean up of any trash, debris, or other hazards caused to be accumulated in the hangar as a result of the conduct of LESSEE, LESSEE'S agents, employees, and/or invitees.
6. LESSEE shall not make any changes, site improvements or alterations to the hangar or Hangar Space without the prior written consent of the LESSOR.

7. LESSEE shall not sublet or furnish to any person any hangar space, or any other right or privilege in or on any Airport property without the prior written consent of Lessor.
8. LESSOR may move any aircraft from time to time as required, in the interest of efficient storage practices and to remove and reposition other aircraft.
9. LESSEE agrees to accept the hangar and the Hanger Space designated in Exhibit "A" on an "as-is" basis; further, LESSOR hereby disclaims, and LESSEE accepts the disclaimer, of any warranty, either express or implied, of the condition of the hangar. LESSEE assumes full responsibility to furnish any equipment necessary to properly secure LESSEE'S Aircraft.
10. LESSEE accepts and recognizes that LESSEE and/or LESSEE'S agents are responsible for placing chocks and securing the Aircraft.
11. Lessee shall procure and maintain for the duration of this lease agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the Lessee's operation and use of the leased premises. The cost of such insurance shall be borne by the Lessee.

Coverage shall be at least as broad as Insurance Services Office commercial liability coverage (occurrence form CG 0001); workers' compensation insurance as required by the State of California and employer's liability insurance (for lessees with employees); and property insurance against all risks of loss to any tenant improvements or betterments. Insurance is to be placed with insurers with a current rating of A.M. Best's rating of no less than A:VII.

Required insurance shall maintain limits no less than:

1. General Liability: **\$1,000,000** per occurrence for bodily injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required limit.
2. Employer's Liability: **\$1,000,000** per accident for bodily injury or disease.
3. Property Liability: Full replacement cost with no coinsurance penalty provision.
4. Workers' Compensation. Statutory requirements.

Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or the Lessee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expense

The lessee shall indemnify, defend, and hold harmless the City, its officers, officials, employees and volunteers from any and all liability arising out of ownership, maintenance or use of that part of the premises leased to the lessee. The Lessee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees and volunteers shall be in excess of the Lessee's insurance and shall not contribute with it. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Coverage holding harmless the City, its officers, officials, employees and volunteers from any and all liability arising out of ownership, maintenance or use of that part of the premises leased to the lessee shall be evidenced by an endorsement naming the City as an 'additional insured' on the lessee's insurance policy.

12. LESSEE further covenants and agrees that LESSEE will not hold LESSOR or any of its agents, employees responsible for any loss occasioned by fire, theft, rain, windstorm, hail, or from any other cause whatever, whether the cause be the direct, indirect, or merely a contributing factor in producing the loss to any aircraft, automobile, personal property, parts or surplus that may be located or stored in the hangar or any other location at the Airport; and LESSEE agrees that the Aircraft and its contents are to be stored whether on the field or in the hangars at LESSEE'S risk.
13. LESSEE agrees to accept LESSOR'S employees as LESSEE'S agent(s) and to absolve Airport, the City and its employees and agents from any liability arising while LESSEE'S Aircraft is in the hands of those employees.
14. LESSEE agrees to notify the LESSOR in writing within ten (10) days of change of any information furnished.
15. LESSEE agrees to abide by all rules and regulations, as amended from time to time, of the Federal Aviation Agency, the State of California, and the City of El Paso de Robles, and other duly constituted public authorities having jurisdiction over the Airport.
16. LESSEE hereby gives and grants to LESSOR a lien on, and hereby hypothecates to LESSOR, the Aircraft, all fixtures, chattels, and personal property of every kind and description now or in the future to be placed, installed, or stored by LESSEE in the hangar, or at the Airport; and agrees that in the event of any failure on the part of LESSEE to comply with each and every one of the covenants and obligations of this Agreement LESSOR may take possession of and sell the same in any manner provided by law and may credit the net proceeds on any indebtedness due, or damage sustained by LESSOR, without prejudice to further claims to arise under the terms of this Agreement.
17. Consent, waiver, or compromise by LESSOR of any of the provisions of this lease shall not be construed as a waiver of the LESSOR'S right to enforce the remaining terms and conditions of this Agreement.
18. All notices required by this lease shall be deemed delivered upon personal delivery or deposit in the United States Mail addressed as follows:

LESSOR: CITY OF PASO ROBLES
 AIRPORT OFFICE
 4912 Wing Way
 Paso Robles, CA 93446

LESSEE: DP INDUSTRIES
 6685 El Pomar Road
 Templeton, CA 93465

LESSEE hereby acknowledges receipt of a copy of this Agreement and a copy of the City of El Paso de Robles Airport Rules and Regulations, the Rules and Regulations being specifically incorporated by reference as though fully set forth in this Agreement, and agrees that LESSEE shall be bound thereby.

IN WITNESS WHEREOF, the parties hereby enter into this Agreement the ____ day of _____ 1999.

LESSEE



 DP Industries

CITY OF EL PASO DE ROBLES

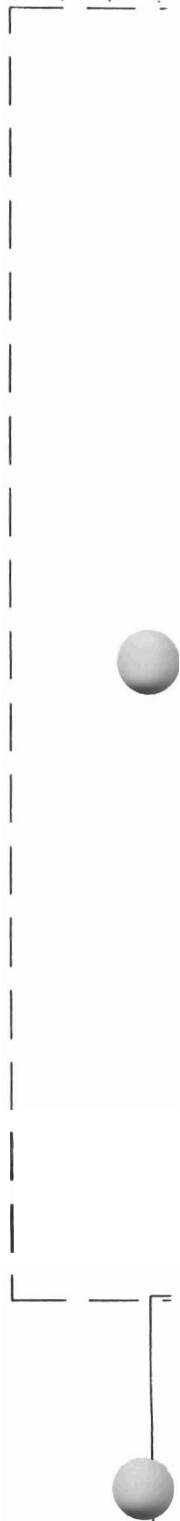
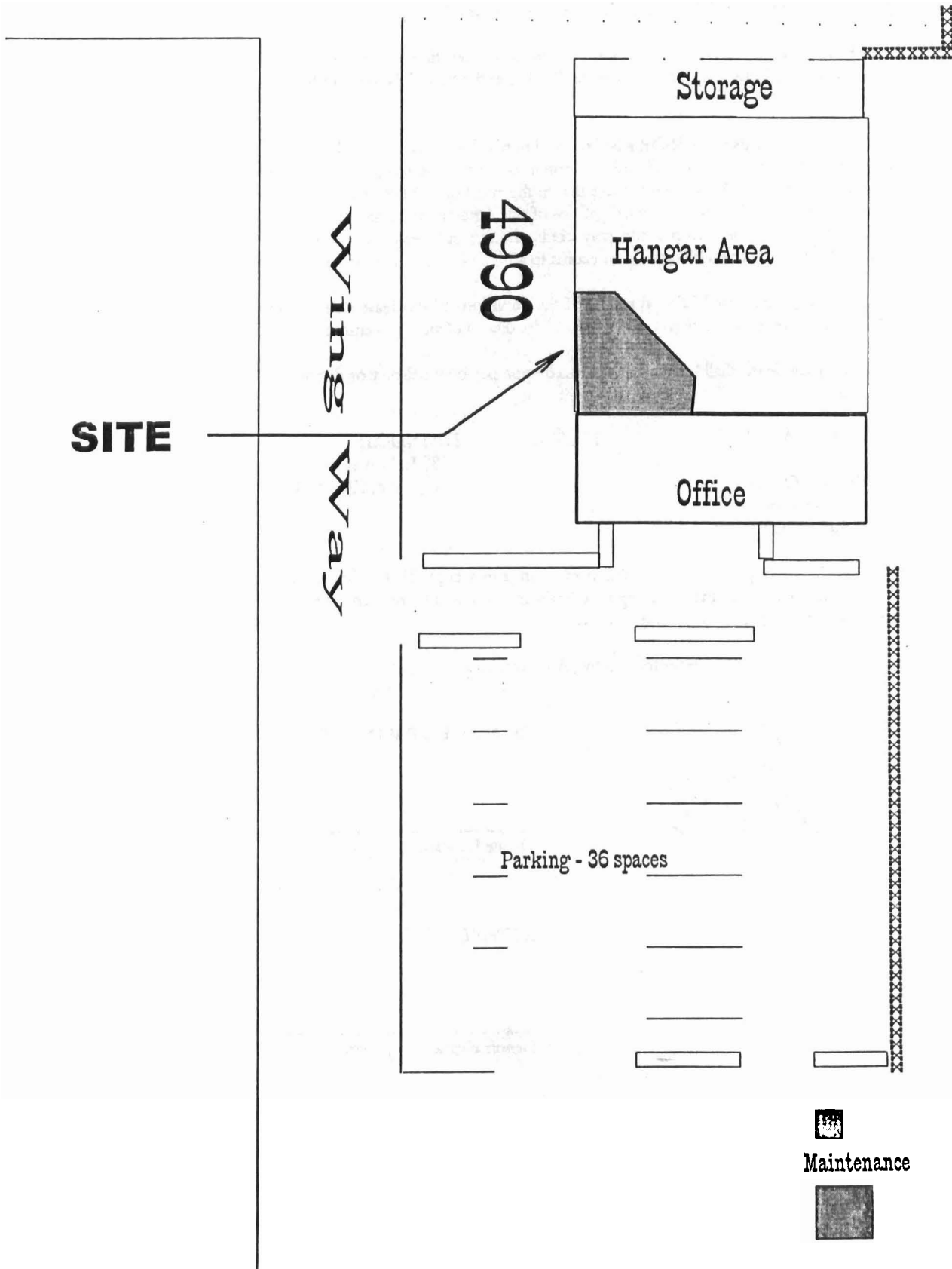
 Duane J. Picanco, Mayor

ATTEST

 Dennis Fansler, City Clerk

EXHIBIT 'A'

Buena Vista Dr.



CITY OF EL PASO DE ROBLES

SHORT-TERM LEASE AGREEMENT
FOR STORAGE OF AIRCRAFT

THIS LEASE is made and entered into this 1st day of December, 1999, by and between the CITY OF EL PASO DE ROBLES, a political subdivision of the State of California, hereinafter referred to as LESSOR, and DEL RIO AVIATION, hereinafter referred to as LESSEE.

LESSOR and LESSEE agree to the following terms and conditions with regard to the rental space:

In the consideration of the payment of monthly rental fee, LESSOR agrees to rent, on a month to month basis, the below-described Hangar Space on the terms and conditions contained herein.

HANGAR SPACE

LESSOR rents to LESSEE a designated area (herein "Hangar Space") of its hangar facility located at 4990 Wing Way, Paso Robles, California, as outlined in the attached Exhibit "A", for the purpose of storing and repairing the following aircraft (herein "Aircraft"):

Aircraft No.: _____ Make: Bell Model: UH-1H
Registered Owner: Del Rio Aviation
Address: 5020 Wing Way Paso Robles, CA
Home Phone: _____ Business Phone: 805-238-0800
Aircraft Insurance Company: Aviation Insurance Services
Address: 9515 Hillwood Dr., Las Vegas, NV 89134-0527
Type of insurance carried: Airport Premises Liability

TERMS AND CONDITIONS

1. In addition to the storage and repair of the Aircraft, the storage of incidental support equipment within the immediate area adjacent to the Aircraft is also authorized. Such storage is subject to space availability, as may be determined by the LESSOR. LESSEE shall use the Hangar Space for no other purposes without the written consent of LESSOR.
2. Either party may cancel this Agreement by giving a thirty (30) day written notice to the other party.
3. The monthly rental for the space hired by LESSEE is One Hundred Fifty Dollars (\$ 150.00) payable monthly in advance, with the first payment, on a prorated basis to the first day of the following month, made concurrently with the execution of this Lease Agreement, receipt of which is acknowledged.
4. In the event rental payment is not received by the 20th day of the month in which the same has become due and payable, such rental payments will be considered as delinquent, and, in addition to the rental then due, there will be an additional service charge of Twenty Dollars (\$ 20.00) to reimburse LESSOR for the cost of bookkeeping and other administrative services for the payments received after the 20th day of each calendar month. Failure to pay the rental payment by the 25th day of each calendar month will also constitute a basis for termination of this Lease Agreement. If the Lease Agreement is terminated by LESSOR for failure of LESSEE to pay the monthly rental, then and in that event, LESSOR will have the right to immediately remove the aircraft and all of the property of LESSEE; to store said property at LESSEE'S sole expense, save and except such property as may be necessary in order to satisfy the lien provided for in this Lease Agreement for unpaid rental to LESSOR.
5. LESSEE agrees, at LESSEE'S expense, to keep the Hangar Space in a neat and clean condition, and shall be responsible for the clean up of any trash, debris, or other hazards caused to be accumulated in the hangar as a result of the conduct of LESSEE, LESSEE'S agents, employees, and/or invitees.
6. LESSEE shall not make any changes, site improvements or alterations to the hangar or Hangar Space without the prior written consent of the LESSOR.

7. LESSEE shall not sublet or furnish to any person any hangar space, or any other right or privilege in or on any Airport property without the prior written consent of Lessor.
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9. LESSEE agrees to accept the hangar and the Hanger Space designated in Exhibit "A" on an "as-is" basis; further, LESSOR hereby disclaims, and LESSEE accepts the disclaimer, of any warranty, either express or implied, of the condition of the hangar. LESSEE assumes full responsibility to furnish any equipment necessary to properly secure LESSEE'S Aircraft.
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Coverage shall be at least as broad as Insurance Services Office commercial liability coverage (occurrence form CG 0001); workers' compensation insurance as required by the State of California and employer's liability insurance (for lessees with employees); and property insurance against all risks of loss to any tenant improvements or betterments. Insurance is to be placed with insurers with a current rating of A.M. Best's rating of no less than A:VII.

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Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of the City, the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers or the Lessee shall provide a financial guarantee satisfactory to the City guaranteeing payment of losses and related investigations, claim administration and defense expense

The lessee shall indemnify, defend, and hold harmless the City, its officers, officials, employees and volunteers from any and all liability arising out of ownership, maintenance or use of that part of the premises leased to the lessee. The Lessee's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insurance maintained by the City, its officers, officials, employees and volunteers shall be in excess of the Lessee's insurance and shall not contribute with it. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City. Coverage holding harmless the City, its officers, officials, employees and volunteers from any and all liability arising out of ownership, maintenance or use of that part of the premises leased to the lessee shall be evidenced by an endorsement naming the City as an 'additional insured' on the lessee's insurance policy.

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14. LESSEE agrees to notify the LESSOR in writing within ten (10) days of change of any information furnished.
15. LESSEE agrees to abide by all rules and regulations, as amended from time to time, of the Federal Aviation Agency, the State of California, and the City of El Paso de Robles, and other duly constituted public authorities having jurisdiction over the Airport.
16. LESSEE hereby gives and grants to LESSOR a lien on, and hereby hypothecates to LESSOR, the Aircraft, all fixtures, chattels, and personal property of every kind and description now or in the future to be placed, installed, or stored by LESSEE in the hangar, or at the Airport; and agrees that in the event of any failure on the part of LESSEE to comply with each and every one of the covenants and obligations of this Agreement LESSOR may take possession of and sell the same in any manner provided by law and may credit the net proceeds on any indebtedness due, or damage sustained by LESSOR, without prejudice to further claims to arise under the terms of this Agreement.
17. Consent, waiver, or compromise by LESSOR of any of the provisions of this lease shall not be construed as a waiver of the LESSOR'S right to enforce the remaining terms and conditions of this Agreement.
18. All notices required by this lease shall be deemed delivered upon personal delivery or deposit in the United States Mail addressed as follows:

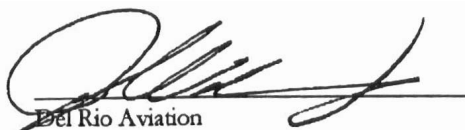
LESSOR: CITY OF PASO ROBLES
 AIRPORT OFFICE
 4912 Wing Way
 Paso Robles, CA 93446

LESSEE: Del Rio Aviation
 5020 Wing Way
 Paso Robles, CA 93446

LESSEE hereby acknowledges receipt of a copy of this Agreement and a copy of the City of El Paso de Robles Airport Rules and Regulations, the Rules and Regulations being specifically incorporated by reference as though fully set forth in this Agreement, and agrees that LESSEE shall be bound thereby.

IN WITNESS WHEREOF, the parties hereby enter into this Agreement the 4th day of December 1999.

LESSEE


 Del Rio Aviation

CITY OF EL PASO DE ROBLES

 Duane J. Picanco, Mayor

ATTEST

 Dennis Fansler, City Clerk

EXHIBIT 'A'

Buena Vista Dr.

SITE

Wing Way

4990

Storage

Hangar Area

Office

Parking - 36 spaces

Maintenance

