

TO: James L. App, City Manager
FROM: Meg Williamson, Interim Director of Public Works
SUBJECT: Airport Short Term Lease – Riley’s Restaurant Corporation
DATE: August 3, 2004

NEEDS: For the City Council to consider a short-term lease agreement for office space in the Airport Terminal with Riley’s Restaurant Corporation.

- FACTS:**
1. On March 5, 2004, the City received a request from Matthew Riley, dba Riley’s Restaurant Corporation, to rent a small office space in the Airport terminal building.
 2. The office space is currently available, and intended for short-term use by Airport-related businesses.
 3. The applicant proposes the premises be used as a business office to conduct the administrative functions of his restaurant operation, also located in the terminal building.

**ANALYSIS
AND**

CONCLUSION: The requested occupancy is consistent with the City’s intent for the premises use. The applicant has demonstrated satisfactory ability to conduct the associated business and this occupancy would complement his existing business. The proposed rent is consistent with market value for similar occupancies elsewhere in the City. The month-to-month provisions in the proposed lease allow for timely termination of the agreement if the City determines that the premises are needed for other uses.

POLICY

REFERENCE: Airport Lease Policy

FISCAL

IMPACT: Increased Airport rental revenue of approximately \$2,700 per year.

- OPTIONS:**
- a. Adopt Resolution No. 04-xx approving a short-term lease agreement with Riley’s Restaurant Corporation for office space within the Airport Terminal building at 4900 Wing Way.
 - b. Amend, modify or reject the above option.

Attachments: (2)

- 1) Resolution
- 2) Lease Agreement

RESOLUTION NO. 04-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROVING A SHORT-TERM AIRPORT REAL ESTATE LEASE
FOR OFFICE SPACE IN THE AIRPORT TERMINAL

WHEREAS, the City has determined office space in the Airport Terminal building to be available and appropriate to rent for Airport purposes; and

WHEREAS, the City has received a request from Riley's Restaurant Corporation to enter into a short-term agreement to rent said office space, Office #2; and

WHEREAS, the applicant has been determined to be a viable and qualified business entity at the airport.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. That the City Council of the City of Paso Robles does hereby adopt Resolution No. 04-xx approving the short-term lease agreement for office space within the Airport Terminal building with Riley's Restaurant Corporation.

SECTION 2. That the City Council of the City of Paso Robles does hereby authorize the execution and recordation of required documentation of the subject agreement.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 3rd day of August 2004 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

CITY OF EL PASO DE ROBLES

**SHORT-TERM RENTAL AGREEMENT
FOR OFFICE SPACE – AIRPORT TERMINAL**

This SHORT-TERM RENTAL AGREEMENT is made and entered into this 1st day of August, 2004, by and between the CITY OF EL PASO DE ROBLES, a political subdivision of the State of California, hereinafter referred to as LESSOR, and **RILEY'S RESTAURANT CORPORATION**, hereinafter referred to as RENTER.

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

In the consideration of the payment of a monthly rental fee, LESSOR agrees to rent, on a month-to-month basis, the below-described area within the Airport Terminal building, 4900 Wing Way on the terms and conditions contained herein.

RENTAL SPACE

LESSOR rents to RENTER the designated area (herein "Office Area") within the terminal facility located at 4900 Wing Way, Paso Robles, California, referred to as 'Office Space #2', a total of 111.9 square feet, as outlined in the attached Exhibit "A", for the purpose of general office use and associated activities.

TERMS AND CONDITIONS

1. Lessor rents to RENTER and RENTER hires from Lessor that specific office area identified above on a month-to-month basis to conduct general business services incidental to RENTER's operations on the airport, and for no other purposes without the written consent of LESSOR.
2. Either party may cancel this Agreement by giving written notice to the other party. RENTER shall have 30 days from the date of said notice to vacate the premises and return same to its original appearance and condition. Upon failure by RENTER to do so in a timely manner, Lessor shall remove all such effects of RENTER and the expense of such shall be borne by RENTER.
3. The monthly rental for the space hired by RENTER is Two Hundred Twenty Five Dollars (\$ 225.00) payable monthly in advance.
4. The monthly rental rate shall be escalated on July 1st of each subsequent year according to the established method based on the Consumer Price Index, currently in use by the City.
5. RENTER agrees, at RENTER'S expense, to maintain the Office Area in a neat and clean condition, and shall be responsible for daily and continuous custodial care of the leased premises. This shall include the routine care of floors, walls, ceiling, and associated fixtures.
6. RENTER shall not make any physical changes, site improvements or alterations to the leased premises without the prior written consent of the LESSOR.
7. This agreement does not grant to RENTER any right, authority, or access to any part of the airport, including aircraft operating areas for himself, his employees, his customers, or the general public except to the leased premises and appropriate access thereto through the designated public and common use areas of the airport terminal.
8. RENTER agrees to accept the Office Area designated in Exhibit "A" on an "as-is" basis; further, LESSOR hereby disclaims, and RENTER accepts the disclaimer, of any warranty, either express or implied, of the condition of the Office Area. RENTER assumes full responsibility for the condition of the leased premises and agrees to maintain and operate said premises in a clean and efficient manner, acceptable to the City, subject to the continued and ongoing monitoring and inspection by City to determine condition and compliance.

9. Upon termination of occupancy of the premises, RENTER agrees to return all elements to the former conditions; including, if necessary, repair, repainting, or replacement of walls, floor coverings, ceilings and appurtenant fixtures attached thereto.
10. LESSOR agrees to provide heating and air conditioning to the office space through the common HVAC systems in the building. LESSOR agrees to provide electrical service. RENTER will provide telephone service through the building communications system and any other utilities services required at RENTER'S own expense.
11. RENTER agrees to include these leased premises within all applicable insurance coverage for operations on the Airport. Said coverage shall include, but not be limited to insurance for: Commercial Liability, Plate Glass, Leasehold Improvements and RENTER's Personal Property, and Worker's Compensation. The required insurance coverages shall include the endorsement naming the City of Paso Robles as additional insured.
12. The term of this lease shall be One (1) year from the date of execution. Absent written notice from either party to the contrary, or in accordance with Section 2, this agreement shall automatically extend for one (1) additional year, and subsequently each year for two (2) additional years without additional notification from either party.
13. RENTER 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.
14. LESSOR grants to and RENTER hereby accepts custody and use of certain office furniture contained in the leased premises. RENTER agrees to care for and maintain said furniture throughout the duration of this agreement and return said furniture in the same condition received, reasonable wear and tear excepted.
15. 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.
16. RENTER agrees to notify the LESSOR in writing within ten (10) days of change of any personal information furnished. 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
 1000 Spring Street
 Paso Robles, CA 93446

RENTER: MATTHEW'S
 505 Palm Court
 Paso Robles, CA 93446

IN WITNESS WHEREOF, the parties hereby enter into this Agreement the ____ day of _____ 2004.

RENTER:
RILEY'S RESTAURANT COPORATION

LESSOR:
CITY OF EL PASO DE ROBLES

 Matthew Riley

 James L. App, City Manager

ATTEST:

 Sharilyn M. Ryan, Deputy City Clerk



CITY OF EL PASO DE ROBLES
"The Pass of the Oaks"

July 21, 2004

Jan Almquist
Laidlaw Transit Service, Inc.
1415 E. Third Street
Pomona, CA 91766

Re: Employee Wages

Dear Jan:

Upon further review of Laidlaw's proposal dated June 16, 2004 to recoup the cost of increasing Laidlaw staff wages for the Paso Robles project, the City is prepared to accept said proposal subject to City Council ratification.

I will prepare the appropriate staff report for City Council consideration at their August 3rd council meeting. Assuming the City Council concurs and authorizes a budget appropriation for said adjustments, the City would begin paying the higher amounts beginning September 1, 2004 and each subsequent July 1st.

Respectfully yours,

Michael J. Compton
Director of Administrative Services

Cc: Paso Robles Transit Advisory Committee
Jody Dauth, Administrative Analyst

LIDLAW

TRANSIT SERVICES, INC.
1000 Howe Road
Martinez, CA 94553

June 16, 2004

Mike Compton
Director of Administrative Services
City of El Paso de Robles
1000 Spring Street
Paso Robles, CA 93446

Dear Mike,

Thank you for meeting with us on April 14, 2004. At this meeting, Laidlaw Transit Services, Inc. indicated our strong desire to continue our partnership with the City of El Paso de Robles. We proposed a two year extension of the present contract with the City. In addition to this commitment, we are proposing a modest increase to include a rate increase for drivers and staff. The increase would be effective July 1, 2004.

The proposed increase is based only on wages and associated benefit costs (payroll tax, work comp, SUI, FICA). The monthly fixed rate and per hour rate we propose are as follows:

July 1, 2004	\$14,906 per month	\$20.05 per RSVH
July 1, 2005	\$15,508 per month	\$20.89 per RSVH
July 1, 2006	\$16,137 per month	\$21.72 per RSVH

Greyhound rates would remain the same.

Thank you for your consideration in this matter. If you have any questions please feel free to call me at 925/260-0283

Sincerely,

Mike McKay
Area General Manager