

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant to the City Manager
SUBJECT: Lease Amendment – Estrella Warbird Museum
DATE: March 1, 2005

NEEDS: For the City Council to consider approving Resolution No. 05-XX, amending the lease agreement with the Estrella Warbird Museum, Inc. at the Municipal Airport.

FACTS:

1. The City entered into a long-term lease agreement with the Estrella Warbirds Museum, Inc. (Museum) for Parcel 45 in the Airport Industrial Park on October 5, 1993. The original lease has been amended four times. The lease was amended on March 3, 1995 to modify the phasing of development on the lease site; on August 23, 1995, to allow default provisions under a separate loan agreement with the City; on June 3, 1997 to add the adjacent Parcel 44 to the leased premises; and on July 2, 2002, to remove the requirement to host an annual airshow, and a commensurate rental adjustment.
2. The City adopted an updated Airport Master Plan on November 16, 2004. A provision of the master plan imposed a new building restriction line across a portion of the Museum lease site, rendering that area no longer usable for future building construction.
3. The Museum requested the City's consideration of the addition of adjacent land to the east of their existing lease (outside of the building restriction area) in compensation for the usable land lost under the master plan action.
4. The City Council's Airport Lease Ad Hoc Committee reviewed this request and recommended an appropriate lease amendment be drafted and presented to the City Council for approval.

**ANALYSIS
AND**

CONCLUSION: The Museum continues to make progress towards their stated goals of preserving our military aviation heritage and the public education thereof. They continue to acquire additional display aircraft. They desire to construct new buildings to house activities that support their preservation efforts. The loss of available building space by the master plan action compromised their future abilities to grow. The proposed addition of land is a fair trade for that area lost.

POLICY

REFERENCE: Airport Lease Policy; FAA Lease Compliance Guidelines.

FISCAL

IMPACT: None. No adjustment to the rental structure is proposed.

OPTIONS:

- a. Adopt Resolution No. 05-XX approving an amendment to the Airport Lease with the Estrella Warbirds Museum, Inc.
- b. Amend, modify or reject the above option(s).

Attachments: (2)

- 1) Resolution
- 2) Lease Amendment

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROVING AN AMENDMENT TO THE LEASE
WITH ESTRELLA WARBIRD MUSEUM, INC. AT THE MUNICIPAL AIRPORT

WHEREAS, the City entered into a long-term lease agreement with the Estrella Warbirds Museum, Inc. (Museum) for Parcel 45 in the Airport Industrial Park on October 5, 1993; and

WHEREAS, the original lease has been amended four times; and

WHEREAS, the City adopted an update to the Airport Master Plan on November 16, 2004; and

WHEREAS, the Master Plan action imposed a Building Restriction limit which rendered a portion of the Museum lease site unusable; and

WHEREAS, the Museum requests compensation for the land lost under the Master Plan action by means of a trade for comparable additional land; and

WHEREAS, the Airport Lease Ad Hoc Committee reviewed this request and recommended an appropriate amendment proposal be presented to the City Council for approval.

THEREFORE, BE IT RESOLVED AS FOLLOWS:

SECTION 1. The City Council of the City of Paso Robles does hereby approve Amendment No. 5 to the Airport Lease with the Estrella Warbird Museum, Inc., attached herein and incorporated by reference.

PASSED AND ADOPTED by the City Council of the City of Paso Robles this 1st day of March 2005 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk

Recording Requested by and
When Recorded Return to:

**City of Paso Robles
Department of Public Works
1000 Spring Street
Paso Robles, CA 93446**

For Recordors Use Only

**AMENDMENT TO AIRPORT LEASE
ESTRELLA WARBIRDS MUSEUM, INC.
AMENDMENT No. 5**

This amendment to lease made and entered into this 1st day of March, 2005, by and between the City of El Paso de Robles, a political subdivision and one of the cities to the State of California, (hereinafter called "City" or "Lessor") and Estrella Warbirds Museum, Inc., a non-profit organization, (hereinafter called "Lessee") who agree as follows:

RECITALS

A. City and Lessee have entered into that certain Municipal Airport Lease dated October 5, 1993, (the "Lease") providing for the leasing by Lessee of Parcel 45 of Parcel Map PRAL 77-469 at the Paso Robles Municipal Airport.

B. City and Lessee agreed to an amendment to said Lease Agreement on March 3, 1995, providing for a modification to the development phasing of the lease site and making any default by the Lessee of that phasing subject to the remedies and provisions of the lease agreement.

C. City and Lessee agreed to an amendment to said Lease Agreement on August 23, 1995, providing that any default on a loan made to the Lessee by the City, under separate agreement, also dated August 23, 1995, would be considered a default of the lease agreement, itself, and the terms and conditions specified therein.

D. City and Lessee agreed to an amendment to said Lease Agreement on June 3, 1997, providing for the addition of Parcel 44 of Parcel Map PRAL 77-469 to the Lease Agreement and subject to the same terms and conditions as contained therein.

E. City and Lessee agreed to an amendment to said Lease Agreement on July 2, 2002, providing for Exhibit "C" and associated Airshow requirements to be removed from the agreement and the monthly rental provisions to be modified.

F. The City adopted an Airport Master Plan Update on November 16, 2004, which provides for an increased Building Restriction Line across Parcel 44 of the lease site. This restriction precludes any future building on that portion of the lease site.

G. The City and Lessee desire to amend the terms of the Lease on the terms and conditions provided herein.

AGREEMENT

1. Amendment of Lease. It is hereby agreed the Future Building Restriction Line for Runway 13-31 (750'), as depicted in the Airport Master Plan Update adopted November 16, 2004, and its associated requirements will apply to Parcel 44, as depicted in the plan document.

Estrella Warbirds Museum, Inc.
Lease Amendment No. 5
Page 2

2. In compensation for any loss of use for a portion of Parcel 44 lost as a result of the new restriction, a section of adjacent land is hereby added to the existing lease agreement, dated October 5, 1993, and amended as outlined above. Said addition is described as an approximate 83,478 square foot (1.92 acres) expansion of the lease site more specifically described as follows:

BEGINNING AT THE SOUTHEAST CORNER OF PARCEL 45 OF PARCEL MAP PRAL 80-53 AS RECORDED IN BOOK 29 OF PARCEL MAPS AT PAGE 47 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA; THENCE NORTH 73 DEGREES 28 MINUTES 02 SECONDS EAST ALONG THE NORTHERLY LINE OF DRY CREEK ROAD 258.14 FEET; THENCE LEAVING THE NORTH LINE OF DRY CREEK ROAD NORTH 2 DEGREES 5 MINUTES 48 SECONDS WEST 295.70 FEET; THENCE WEST 250 FEET TO THE NORTHEAST CORNER OF SAID PARCEL 45; THENCE SOUTH 2 DEGREES 5 MINUTES 48 SECONDS EAST 360.03 FEET ALONG THE EAST LINE OF SAID PARCEL 45 TO THE POINT OF BEGINNING OF THIS DESCRIPTION AND AS DEPICTED HERIN ON EXHIBIT "A", ATTACHED HERETO.

3. Said addition is subject to all terms, conditions, requirements and obligations of the lease agreement. Any and all development on the subject lease site and the addition thereto shall conform to an approved development plan or amendment thereto, as required by City Zoning Regulation, including, but not limited to adherence to established future setbacks for Dry Creek Road, City Planning and Development Review for aesthetics, and Building and Zoning Codes, as currently may be in effect, or in the future amended.

4. No further amendment. Except as amended hereby, the lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Amendment to be duly executed this 1st day of March, 2005.

CITY OF EL PASO DE ROBLES

ESTRELLA WARBIRDS MUSEUM, INC.

By: _____
James L. App, City Manager

By: _____
Charles L., Miller, President

ATTEST:

ATTEST:

By: _____
Sharilyn M. Ryan, Deputy City Clerk

By: _____
Secretary