

TO: James L. App, City Manager
FROM: Meg Williamson, Assistant to the City Manager
SUBJECT: Airport Sublease Agreement
Laura Coats Revocable Trust to Kurt Fisher
DATE: November 15, 2005

NEEDS: For the City Council to consider approving a sublease agreement between Laura Coats Revocable Trust and Kurt Fisher.

- FACTS:**
1. The City of Paso Robles currently leases property to Laura Coats Revocable Trust on the Municipal Airport at 4350 Cloud Way (Parcel 1, PRAL 97-229). The lease remains in good standing and compliance.
 2. The lease allows the lessee to enter into sublease agreements on the site with the approval of the City.
 3. Mr. Jeff Thomas has held a sublease with the Laura Coats Revocable Trust for an aircraft hangar on their master lease parcel at the Paso Robles Airport. Mr. Thomas has recently sold his interest in that aircraft hangar. The Laura Coats Revocable Trust therefore wishes to enter into a sublease with the new aircraft hangar owner, Mr. Kurt Fisher.
 4. The City is requested to approve the attached sublease agreement for the construction of an aircraft storage hangar on the subject site (see attached letter dated October 19, 2005).
 5. The proposed sublease agreement has been reviewed by the Deputy City Attorney and approved as to form and content.

**ANALYSIS
AND**

CONCLUSION: The lessee is permitted under the terms and conditions of the lease agreement with the City to request and enter into sublease agreements on the lease site. The lease is explicit in the City's right to review the proposed usage, the conditions of development, and the content of the agreement. The lease also states that approval of the requested sublease shall not be unreasonably withheld. It has been determined that the provisions of the lease have been met by the lessee, and that the requested sublease agreement is consistent with the provisions of the lease agreement with the City.

POLICY

REFERENCE: Municipal Airport Property Lease; FAA Lease Guidelines.

FISCAL

IMPACT: None

- OPTIONS:**
- A. Approve Resolution 05-xx approving the requested sublease agreement.
 - B. Amend, modify, or reject the above options.

Attachments: (3)

- 1) Resolution
- 2) Proposed Sublease document
- 3) October 19, 2005 correspondence from the Laura Coates Revocable Trust

AIRPORT SUBLEASE

This is a sub-lease by and between Laura Coats Revocable Trust and Kurt Fisher entered into on November 1, 2005 on the subject property as described:

Hanger Pad #4, Parcel 1, 4350 Cloud Way, Paso Robles, CA.

Whereas:

The City of Paso Robles and Laura Coats Revocable Trust entered into a long term master lease agreement dated January 1, 1998, for properties on the Paso Robles Municipal Airport identified as Parcel 1 of Parcel Map PRAL 97-229, depicted in Exhibit "A" which is attached hereto.

Kurt Fisher desires to sub-lease a portion of said master leased premises: Hanger Pad #4, with aircraft storage hanger for non-commercial use, as allowed under the Master Lease and the established Airport Rules and Regulations currently in effect, or as may be adopted. Master Lease attached hereto and incorporated herewith as Exhibit "B".

I TERM

That the term of this sub-lease agreement shall consist of thirty-three (33) years commencing on November 1, 2005 and expiring on January 1, 2038.

II RENT

Sub-tenants agree to pay Laura Coats Revocable Trust **Two Hundred Dollars (\$200)** per month, payable in advance. Rent escalation: the monthly base rental as herein above set forth shall be adjusted each July 1st in accordance with the conditions set forth in the Master Lease.

III PREMISES

It is recognized that the subject sub-leased premises are included as a part of the master lease agreement specified above. If the Master lease terminates, sub-tenant will if requested, attorn to the Master Landlord and recognize Master Landlord as sub-landlord under this sub-lease. However, sub-tenants obligation to attorn to the master Lease will be conditioned on sub-tenants receipt of a non-disturbance-agreement.

IV FEDERALLY ASSISTED PROGRAMS

The sub-tenants for himself, his heirs, personal representatives, and assigns as a part of the consideration hereof, does hereby covenant and agree "as a covenant running with the land", that in the event facilities are constructed, maintained or otherwise operated on the said property described in this lease for a purpose of or which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the sub-tenants shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, part 21, non-discrimination in Federally assisted programs of the

Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

V
DISCRIMINATION

The sub-tenants for himself, his personal representatives, and assigns as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the ground of race, color, or discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such and the furnishings of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, (3) that the sub-tenants shall use the premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, part 21, Non-discrimination in Federally-Assisted programs of the Department of Transportation-Effectuation of Title VI of the civil Rights Act of 1964, and as said regulations may be amended.

VI
DISCRIMINATION BREACH

That in the event of breach of any of the above non-discrimination covenants, lessor shall have the right to terminate the Lease and to reenter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed including expiration of appeal rights.

VII
FAIR CHARGES

Sub-tenants shall furnish its accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof and it shall charge fair, reasonable and not unjustly discriminatory prices for each unit, or service: PROVIDED, THAT sub-tenants may be allowed to make reasonable nondiscriminatory discounts, rebates or other similar type of price reductions to volume purchasers.

VIII
DISCRIMINATION ENFORCEMENT

Non-compliance with Provision "VII" above shall constitute a material breach thereof and in the event of such non-compliance the Lessor shall have the right to terminate this Lease and the estate hereby created without liability therefore or at the election of the Lessor or the United States either or both said Governments shall have the right to judicially enforce Sections IV, V, VI and VII.

IX
MASTER LEASE

It is further agreed that all of the terms, conditions, and requirements specified in the Master Lease agreement shall apply to and be incorporation herein be reference as a part of this

agreement and shall extend to the sub-tenants under the same obligations as the Master Lease holder as outlined herein.

X
SALE OF SUBLEASE

The Laura Coats Revocable Trust holder of the Master Lease shall have first right of refusal at the established fair market value of sublease should Kurt Fisher elect to sell his interest in hanger Pad #4.

XI

Should the Master Landlord, (City of Paso Robles) provide improvements to the master lease property, I.E. sewer, natural gas; the sub-lessee shall be responsible for their pro-rated hanger pad share.

Signed:

Sub-lessor:

Sub-lessee:

Laura Coats Revocable Trust
Laura Coats Co-Trustee

Kurt Fisher

Laura Coats Revocable Trust
Thomas Schulz Co-Trustee

Date

Date

The city of El Paso de Robles, Master Landlord under the master Lease, consents to the sub-lease without waiver of any of the terms and conditions of the Master Lease.

Attached hereto and incorporated herewith is:

Exhibit "A" Property map

Exhibit "B" Master Lease agreement by and between the City of Paso Robles and Laura Coats Revocable Trust dated 1/1/98.

Laura Coats Revocable Trust
P.O. Box 410
Creston, CA 93432

October 19, 2005

City of Paso Robles
Meg Williamson, Assistant to the City Manager
1000 Spring Street
Paso Robles, CA 93446

Dear Ms. Williamson,

Our sublessee, Mr. Jeff Thomas, recently sold his interest in a aircraft storage hanger located on parcel 1, pad #4, see parcel map PRAL 97-229 depicted in Exhibit "A" which is attached hereto.

The new owner Mr. Kurt Fisher would like to enter a sublease with us under the same terms in accordance with provisions 11.1 thru 11.4 of the non subordinated Airport Ground lease made between the City of Paso Robles and the Laura Coats Revocable Trust, dated January 20, 1998.

Thank you in advance for your attention and help with this matter.

Sincerely,

Laura Coats, co-Trustee

Thomas Schulz, co-Trustee

RESOLUTION NO. 05-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASO ROBLES
APPROVING A SUBLEASE AGREEMENT BY AND BETWEEN
LAURA COATS REVOCABLE TRUST AND KURT FISHER
FOR PROPERTY ON 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, from time to time, elected to enter into long-term lease agreements for properties on the Airport; and

WHEREAS, the City is requested by current lessee, Laura Coats Revocable Trust, to approve a sublease agreement on the subject property, as provided within the master lease agreement, and

WHEREAS, the lease agreement is found to be in full effect and compliance, and

WHEREAS, the requested sublease is found to be consistent with the provisions of the lease agreement;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of El Paso de Robles that:

SECTION 1. The requested sublease agreement is consistent with the provisions of the lease agreement.

SECTION 2. The requested sublease agreement between Laura Coats Revocable Trust and Kurt Fisher is approved and authorized, as requested.

ADOPTED AND PASSED by the City Council of the City of Paso Robles this 15th day of November 2005 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Frank R. Mecham, Mayor

ATTEST:

Sharilyn M. Ryan, Deputy City Clerk