



Council Agenda Report

From: Dick McKinley, Public Works Director
Subject: Estrella Warbirds Museum Lease Amendment, Extending the Lease by 14 Years
Date: February 6, 2018

Facts

1. City and Lessee have entered into a Municipal Airport lease, dated October 5, 1993, (the "Lease") providing for the leasing by Lessee of Parcel 45 of Parcel Map 77-469 at the Paso Robles Municipal Airport.
2. City and Lessee have entered into amendments, dated March 3, 1995, August 23, 1995, June 3, 1997 (adding Parcel 44 to the leased premises); July 2, 2002, and March 1, 2005. The current expiration date of the Lease is October 5, 2033.
3. On October 1, 2017, the City and Estrella Warbirds Museum, Inc. entered into a separate lease (the "Related Lease") for property immediately adjacent to the Premises. The lease term of the Related Lease expires on September 30, 2047.
4. Lessee has requested an extension to the term of the Lease for the original property so as to provide the same expiration date for the two lease agreements. This would increase the term of the original lease by almost 14 years.
5. On January 25, the Airport Commission reviewed the request and took action to recommend to the City Council that the request be approved.

Options

1. Do nothing;
2. Approve the request as presented;
3. Deny the request;
4. Direct staff to prepare an alternative action.

Analysis and Conclusions

The Museum continues to draw significant public and tourist interest from throughout the country. The public support locally is commendable. As all of the development and public activity are provided by volunteers, the value of this facility becomes even more evident to the community. Previous discussions of the mission and purpose of the museum and its benefit to the community have always been favorable and supportive. A modification to the expiration date of the lease agreement would have little impact on the airport or its operation. The lease amendment would, however, improve conditions for the Warbirds Museum by allowing them to do long-term planning with both museum properties having the same lease expiration date.

Fiscal Impact

None

Recommendation

Approve Resolution No. 18-XXX approving Amendment No. 6 to Airport Lease with Estrella Warbirds Museum, Inc., dated October 5, 1993, and subsequently amended.

Attachments

1. Resolution No. 18-XX
2. Lease Amendment No. 6

RESOLUTION NO. 18-XXX

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING AMENDMENT NO. 6 TO MUNICIPAL AIRPORT PROPERTY LEASE WITH
ESTRELLA WARBIRDS MUSEUM, INC.
Parcels 44 & 45 [4251 Dry Creek Road]

WHEREAS, City and Lessee 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 77-469 at the Paso Robles Municipal Airport; and

WHEREAS, City approved lease amendments dated March 3, 1995, August 23, 1995, June 3, 1997 (adding Parcel 44 to the leased premises); July 2, 2002; and March 1, 2005. The current expiration date of the Lease is October 5, 2033; and

WHEREAS, Lessee has requested to extend the term of the Lease so that the lease's expiration date will coincide with the recently approved lease on adjacent Parcels 43 & 46 (excluding the options to extend the adjacent Lease).

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES, as follows:

Section 1. The City Council hereby approves Amendment No. 6 to the Airport lease with Estrella Warbirds Museum, Inc. in substantially the form attached hereto as Exhibit A, and incorporated herein by reference, and authorizes the City Manager to execute the Amendment No. 6, subject to any minor technical, non-substantive or clarifying changes approved by the City Attorney.

PASSED AND APPROVED this 20th day of February 2018, by the following vote:

AYES:

NOES:

ABSENT:

ABSTENTION:

Steven W. Martin, Mayor

Attest:

Kristen L. Buxkemper, Deputy City Clerk

<p>RECORDING REQUESTED BY AND WHEN RECORDED, MAIL TO:</p> <p>City of El Paso de Robles Department of Public Works 1000 Spring Street Paso Robles, CA 93446</p> <p>Exempt from Recording Fees pursuant to Government Code Sec. 27383</p>	
--	--

Space Above This Line For Recorder's Use

**SIXTH AMENDMENT TO MUNICIPAL AIRPORT PROPERTY LEASE
ESTRELLA WARBIRDS MUSEUM
[4251 Dry Creek Road]
[Parcels 44 & 45 of Parcel Map 77-469]**

This Sixth Amendment to Municipal Airport Property Lease ("Sixth Amendment") is made and entered into this 1st day of November 2017, by and between the CITY OF EL PASO DE ROBLES, a municipal corporation, (hereinafter called "City" or "Lessor") and ESTRELLA WARBIRDS MUSEUM, INC., a non-profit organization (hereinafter called "Lessee"), with reference to the following recitals:

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 77-469 at the Paso Robles Municipal Airport.
- B. City and Lessee have entered into amendments dates March 3, 1995, August 23, 1995, June 3, 1997 (adding Parcel 44 to the leased premises); July 2, 2002; and March 1, 2005. The current expiration date of the Lease is October 5, 2033.
- C. On October 1, 2017, the City and Estrella Warbirds Museum, Inc., entered into a separate lease (the "Related Lease") for property immediately adjacent to the Premises. The lease term of the Related Lease expires on September 30, 2047.
- D. On _____, 2017, the City approved a request by Lessee to extend the term of the Lease so that the expiration of the Lease and the Related Lease (excluding the options to extend in the Related Lease) will be the same.
- E. The City and Lessee desire to amend the terms of the Lease on the terms and conditions as provided herein.

AGREEMENTS

1. Article I of the Lease is hereby amended to extend the term of the Lease to expire on September 30, 2047. Notwithstanding the options to extend in the Related lease, Lessee understands and acknowledges that the term of the Lease may not be extended any further, pursuant to Government Code section 37380(a).
2. Except as specifically amended by this Sixth Amendment, all of the terms and conditions of the Lease shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Sixth Amendment to be duly executed on this _____ day of _____, 2017.

LANDLORD:
CITY OF EL PASO DE ROBLES

TENANT:
ESTRELLA WARBIRDS MUSEUM, INC.

Thomas Frutchey, City Manager

Reynold F. Stelloh, President

APPROVED AS TO FORM:

Iris P. Yang, City Attorney

APPROVED AS TO CONTENT:

Richard McKinley, Public Works Director