

RESOLUTION NO. 14-114

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES  
APPROVING BUSINESS TERMS FOR AN AMENDMENT TO THE FBO LEASE AND  
CONCESSION AGREEMENT WITH AVIATION CONSULTANTS INC. (ACI) TO  
INCLUDE RESTAURANT SPACE/CONCESSION AT THE MUNICIPAL AIRPORT

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WHEREAS, the selection of a high-quality Fixed Base Operator and successful negotiation of a mutually beneficial lease is a key business goal for the City's Airport enterprise; and

WHEREAS, after an extensive search and competitive process, the City entered into a multi-year lease ("Lease") with ACI on June 15, 2011 for Fixed Base Operator (FBO) and fueling services at the Municipal Airport; and

WHEREAS, the Lease provides for an initial 3-year term, with two options to extend of 3 and 4 years respectively, with market rate adjustments to lease rates possible upon the exercise of an option; and

WHEREAS, ACI has reached the end of its first 3-year Lease term and has timely exercised its first 3-year option to extend; and

WHEREAS, ACI desires to add the vacant (1,780 s.f.) terminal restaurant space as part of its leased premises under the Lease; and

WHEREAS, ACI has stated it will seek a delicatessen or similar food service subtenant to occupy the restaurant space and who will enhance services in the terminal; and

WHEREAS, on June 20, 2014, the City Council Airport Liaison committee (Ed Steinbeck and John Hamon) met with representatives of ACI to discuss potential lease rates and service expectations for a restaurant operation; and

WHEREAS, the Council Liaison members discussed and recommended an amended lease arrangement that would include the restaurant area/concession as part of the leased premises for a 3-year term, concurrent with the lease extension option being exercised for the FBO lease, with one remaining option term of 4-years for the entire leased premises; and

WHEREAS, including the restaurant space as part of ACI's lease presents a new opportunity for success in a tenant space that has historically proven difficult as ACI will assume responsibility for finding an appropriate restaurateur, while assuring the City a rental return on the currently vacant space; and

WHEREAS, the proposed business terms are market-based, align with the current multi-year FBO lease and will be in the best interests of the Airport enterprise.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The recitals above are hereby incorporated into this Resolution.

Section 2. The City Council hereby approves leasing to Aviation Consultants Inc., (ACI) the 1,780 square feet of restaurant space within the Airport Terminal, and to add such area as part of the defined leased premises under the existing Lease between the City and ACI, with the intent that ACI will seek an operator to provide food service therein.

Section 3. The City Council hereby sets the combined lease rate of \$10,744 for the existing FBO lease area(s) and the restaurant space, which rate shall be subject to escalation as provided for in the current Lease.

Section 4. The City Attorney is hereby directed to draft, and the City Manager is authorized to execute, an Amendment to the Lease and Concession Agreement with Aviation Consultants, Inc. (ACI) for the combined FBO and restaurant space/operations for a 3-year term plus one option to extend the term for 4-years and incorporating the other business terms stated in this Resolution.

PASSED AND ADOPTED this 5<sup>th</sup> day of August 2014, by the following vote:

AYES: Hamon, Steinbeck, Martin, Strong, Picanco

NOES:

ABSENT:

ABSTAIN:



Duane Picanco, Mayor

ATTEST



Caryn Jackson, Deputy City Clerk