



## CITY COUNCIL STAFF REPORT

DATE: October 5, 2011 CONSENT AGENDA

SUBJECT: AMENDMENT NO. 1 TO LEASE 5996 WITH SIGNATURE FLIGHT  
SUPPORT CORPORATION OPERATING AND LEASE AGREEMENT  
FOR HANGAR RENTALS AT PALM SPRINGS INTERNATIONAL  
AIRPORT

FROM: David H. Ready, City Manager

BY: DEPARTMENT OF AVIATION

---

### SUMMARY

This action would provide an amendment to an existing short term hangar lease with PSP Airport's Fixed Base Operator, Signature Flight Support Corporation.

### RECOMMENDATION:

1. Approve Amendment No. 1 to Operating and Lease Agreement 5996 for Hangar Rentals at Palm Springs International Airport with Signature Flight Support Corporation, effective November 1, 2011.
2. Authorize the City Manager to execute all necessary documents.

### STAFF ANALYSIS:

In September of 2010, under the recommendation of the Airport Commission, the City entered into a three (3) year lease agreement with fixed base operator, Signature Flight Support Corporation, for the lease of two hangars; an older hangar on El Cielo Road and a hangar on East Alejo Road.

The former Pond Aviation hangar has now become vacant and Signature Flight Support has requested to relocate to this facility which is more conducive for their operations. The current hangar they occupy on El Cielo across from City Hall, although more square footage, does not have the door height to accommodate their larger corporate aircraft.

This lease amendment will allow Signature Flight Support to switch from the old El Cielo 15,104 square foot hangar to a newer and more versatile 10,000 square foot hangar on East Alejo Road.

The terms of this agreement amendment remain consistent with the base lease and will require Signature to continue paying the same rent although the hangar is smaller. They will be also responsible for assuming the property under Triple-Net terms, which calls for the lessee to pay all maintenance, taxes, and utilities costs.

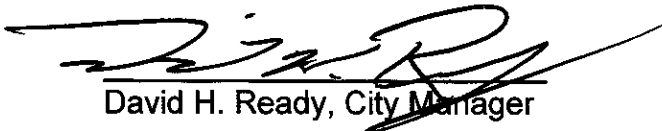
The Airport Commission voted unanimously in favor of this Amendment at its May 18, 2011 meeting.

FISCAL IMPACT:

The tenant's rent obligation of \$9,669 per month does not change and they will assume all of the maintenance, taxes, and utilities so there is no burden on the City. The agreement contains a CPI rent increase which took effect on September 1, 2011. There are no costs incurred by the Airport fund for this switch in hangar occupancy. The agreement is set to expire on August 31, 2012, unless the one (1) year option is exercised by the City.



Thomas Nolan, Executive Director



David H. Ready, City Manager

Attachment: Signature Hangar Agreement 5996 Amendment 1

AMENDMENT NO. 1 TO LEASE 5996  
SIGNATURE FLIGHT SUPPORT CORPORATION  
OPERATING AND LEASE AGREEMENT  
FOR HANGAR RENTALS  
AT PALM SPRINGS INTERNATIONAL AIRPORT

THIS AMENDMENT NO. 1 TO LEASE #5996 is made and entered into this first day of November 2011, by and between the CITY OF PALM SPRINGS, a charter city and California municipal corporation ("City"), and Signature Flight Support Corporation ("Tenant") a Delaware corporation. City and Tenant may hereinafter be referred to individually as a "Party" and collectively as "Parties".

**RECITALS**

WHEREAS, on September 1, 2010 City and Tenant entered into that certain Lease with Signature Flight Support Corporation to lease a portion of the Old Signature Flight Support Facility located on Airport property at 210 N. El Cielo Road, Palm Springs, California, 92262 and also lease the City hangar located on a portion of parcel 502-100-038 within Airport property.

WHEREAS, the parties wish to amend the Agreement pursuant to the terms of Amendment No. 1 as follows;

**AGREEMENT**

NOW THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and Tenant mutually agree as follows:

1. Subsection 1.1 Demised Premises. Hangar 1 shall be removed and replaced with Hangar 3 on a portion of parcel APN 502-100-036 more particularly described on the revised Exhibit A attached hereto.
2. Subsection 3.4 Utilities: will be deleted and replaced with the following:  
  
3.4 Utilities. Tenant shall pay all costs for utilities used in connection with Hangar 2 and Hangar 3. Tenant shall pay before delinquency all charges for utilities, telephone service, trash removal and all other services and utilities used in, upon, or about both Hangar 2 and 3 Demised Premises.
3. Subsection 4.2 Compliance with Laws:

The following sentence will be added to the end of the second paragraph of this subsection:

Notwithstanding the foregoing, Tenant shall not be liable for the investigation, remedial action or clean-up of any contamination pre-existing Tenant's use and/or occupation of the Demised Premises

4. Subsection 4.7 U.S. Customs – Non Interference. will be deleted in its entirety.
5. Subsection 4.11 Hangar 1 – Flight School Aircraft Parking. will be deleted in its entirety.
6. Subsection 4.12 Exclusive Parking Area. will be deleted in its entirety.
7. Subsection 5.2 Maintenance and Repair.

Reference to Hangar 1 in sentence three will be changed to Hangar 3.

Last sentence in Subsection 5.2 will be deleted in its entirety.

8. Full Force and Effect. Except as expressly modified herein all other provisions of the Agreement shall remain unmodified and in full force and effect.

(SIGNATURE PAGE FOLLOWS)

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

ATTEST:

CITY OF PALM SPRING  
a municipal corporation

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Manager

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney

CONTRACTOR: Check one: \_\_\_ Individual \_\_\_ Partnership X Corporation

Corporations require two notarized signatures: One from each of the following: A. Chairman of Board, President, or any Vice President: AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.

By: \_\_\_\_\_  
Signature (notarized)

By: \_\_\_\_\_  
Signature (notarized)

Name: Maria A. Sastre

Name: Joseph I. Goldstein

Title: Vice President - Operations

Title: Secretary and Vice President

\*\*\*\*\*

State of Florida

State of Florida

County of Orange

County of Orange

On \_\_\_\_\_ before me, \_\_\_\_\_

On \_\_\_\_\_ before me, \_\_\_\_\_

personally appeared Maria A. Sastre who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

personally appeared Joseph I. Goldstein who proved to me on basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature: \_\_\_\_\_

Notary Signature: \_\_\_\_\_

Notary Seal:

Notary Seal:

**Exhibit "A" Revised**

**Hangar 1 – on El Cielo**

Aircraft hangar                      15,104.0 s.f.

Shall be replaced with:

**Hangar 3 – on East Alejo**

Aircraft hangar                      10,000 s.f.

A Portion of APN 502-100-036

