



CITY COUNCIL STAFF REPORT

DATE: July 11, 2012

CONSENT CALENDAR

SUBJECT: Lease Amendment – Palm Springs Air Museum

FROM: David H. Ready, City Manager

BY: Aviation Department

SUMMARY

The City Council will consider an amendment to the Palm Springs Air Museum airport lease to accommodate the installation of a small solar energy unit.

RECOMMENDATION:

1. Approve Amendment No. 3 to the Palm Springs Air Museum Lease No. A3613 for an additional 5,397 square feet of land to accommodate the installation of a solar energy system.
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The Palm Springs Air Museum (PSAM) executed a long term lease with the City of Palm Springs in November of 1995 for a term of 40 years. Since its inception, the PSAM has grown in popularity and today serves as a major attraction in the Coachella Valley. Since the original agreement in 1995, a license agreement with PSAM, not a lease amendment, was executed for four acres of land on the North end of the facility. This arrangement was promulgated so that PSAM could utilize the additional space for customer vehicle parking in conjunction with museum events and activities.

The PSAM wants to reduce its energy operating expenses and subsequently has developed a plan for the installation of a small solar energy unit. This project will involve the installation of solar panels on the North of the main building and located in the area which is currently operated under terms of the license agreement. Because the PSAM is going to be installing a capital asset within this area and requires constant access to

ITEM NO. 28

it, the arrangement must now be in the form of a lease amendment and include appropriate rent compensation to the airport.

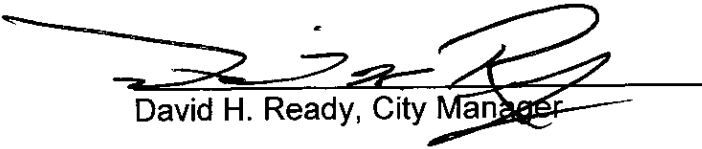
The Airport Commission unanimously supported this recommendation at the June 2012 meeting.

FISCAL:

There is 5,397 s/f of property being added to the lease and the rent will be \$2,050.86 annually and this rate is consistent with the other rental rates most recently applied to tenants along the Gene Autry airport property corridor. Monthly rental payments will begin September 1, 2012 and rent adjustments will take effect every five years based on a Consumer Price Index for this region.



Thomas Nolan, Executive Director



David H. Ready, City Manager

Attachments:
Lease Amendment No. 3

AMENDMENT NO. 3 TO INDENTURE OF LEASE NO. A3613
AIR MUSEUM AND LEASE AGREEMENT
AT PALM SPRINGS INTERNATIONAL AIRPORT

THIS AMENDMENT NO. 3 TO LEASE NO. A3613 ("Amendment") is made and entered into this twentieth day of June 2012, by and between the CITY OF PALM SPRINGS, a charter city and California municipal corporation ("Lessor"), and the Palm Springs Air Museum operation.

RECITALS

WHEREAS, Lessor and Lessee entered into Lease Agreement No. A3613 ("Agreement"), effective November 29, 1995; and

WHEREAS, the parties wish to amend the Agreement pursuant to the terms of Amendment No. 3 as follows;

WHEREAS, Lessor owns and operates an airport known as the Palm Springs International Airport, located in the City of Palm Springs, County of Riverside, State of California ("Airport"); and

WHEREAS, to further its museum development, Lessee is desirous of leasing certain real property consisting of demised premises, which is a portion of parcel 05-3 as depicted on the Plot Plan on Exhibit "B" and as defined and attached on Exhibit "C"; consisting of an area 128.5 feet long and 42 feet wide and described as Parcel 05-3-A. The exhibits identifying the 5,397 square foot parcel, attached hereto and incorporated herein; and

WHEREAS, Lessor is desirous of leasing the parcel to Lessee and granting Lessee certain rights to access the Airport from Parcel 94-2A to allow Lessee to provide a solar parabolic collector system for onsite energy production and perform its business thereon.

NOW, THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable considerations, Lessor does hereby lease to Lessee, and Lessee does lease from Lessor, the parcel of land containing the 5,397 square feet of Parcel 05-3-A, as more specifically described and depicted on Exhibit "C", attached hereto and incorporated herein; for all purposes, together with those rights and privileges stated elsewhere in this agreement upon the following terms and conditions, to become effective June 20, 2012:

AGREEMENT

Section 1. The ending date of the term of this Amendment No. 3 shall be the same as that described in Agreement No. A3613, November 28, 2035.

Section 2 Parcel 05-3-A hereinafter more fully described on Exhibit "C", contains the southwestern portion of 128.5 by 42 feet of Parcel 05-3-A.

Section 3 The rental value of Parcel 05-3-A as determined by Lessor at the inception of this Amendment will be thirty eight cents (\$0.38) per square foot per annum. In consideration for the improvements made by the lessee, rental payments shall begin on September 1, 2012.

Section 4 Rental adjustments shall be made every five years based on the Consumer Price Index (CPI), the first rental adjustment to take effect as of September 1, 2017, based on the June 2012 to June 2017 CPI.

Section 5 All other conditions of Lease Agreement No. A3613 not in conflict with this Amendment shall remain in full force and effect and shall apply to Parcel 05-3-A.

(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 *JAN*

APPROVED AS TO FORM:

By: _____
City Attorney

CONTRACTOR: Check one: ___ Individual ___ Partnership ___ 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: _____

Name: _____

Title: _____

Title: _____

State of _____

State of _____

County of _____

County of _____

On _____ before me, _____

On _____ before me, _____

personally appeared _____
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 _____
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: _____

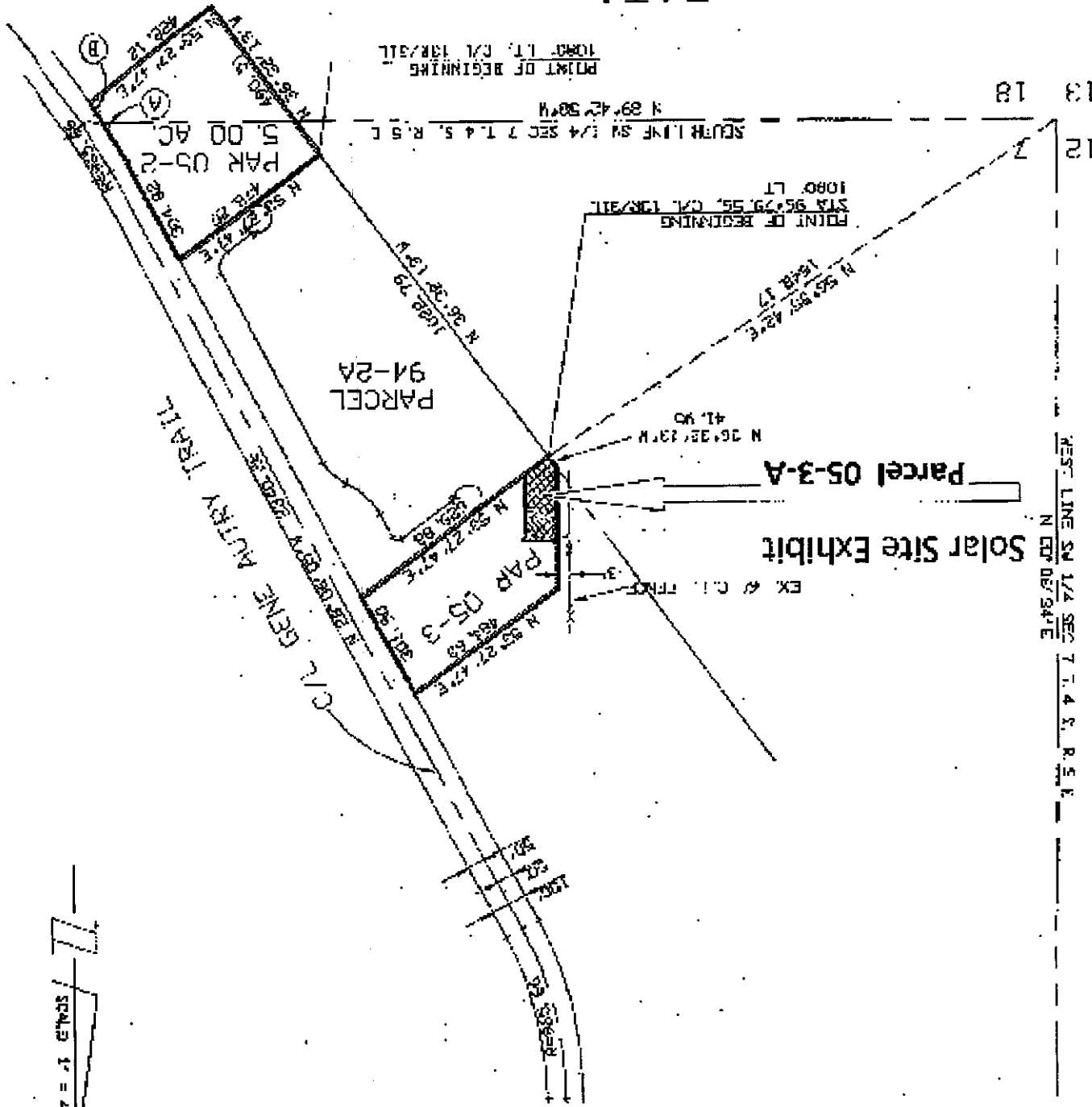
Notary Seal:

Notary Seal:

AIR MUSEUM LEASE PLAT

EXHIBIT "B"

SHOWING A PORTION OF THE N.W.
1/4 SEC. 18, AND THE S.W. 1/4
SEC. 7, T.4 S., R.9 E., S.8 M.

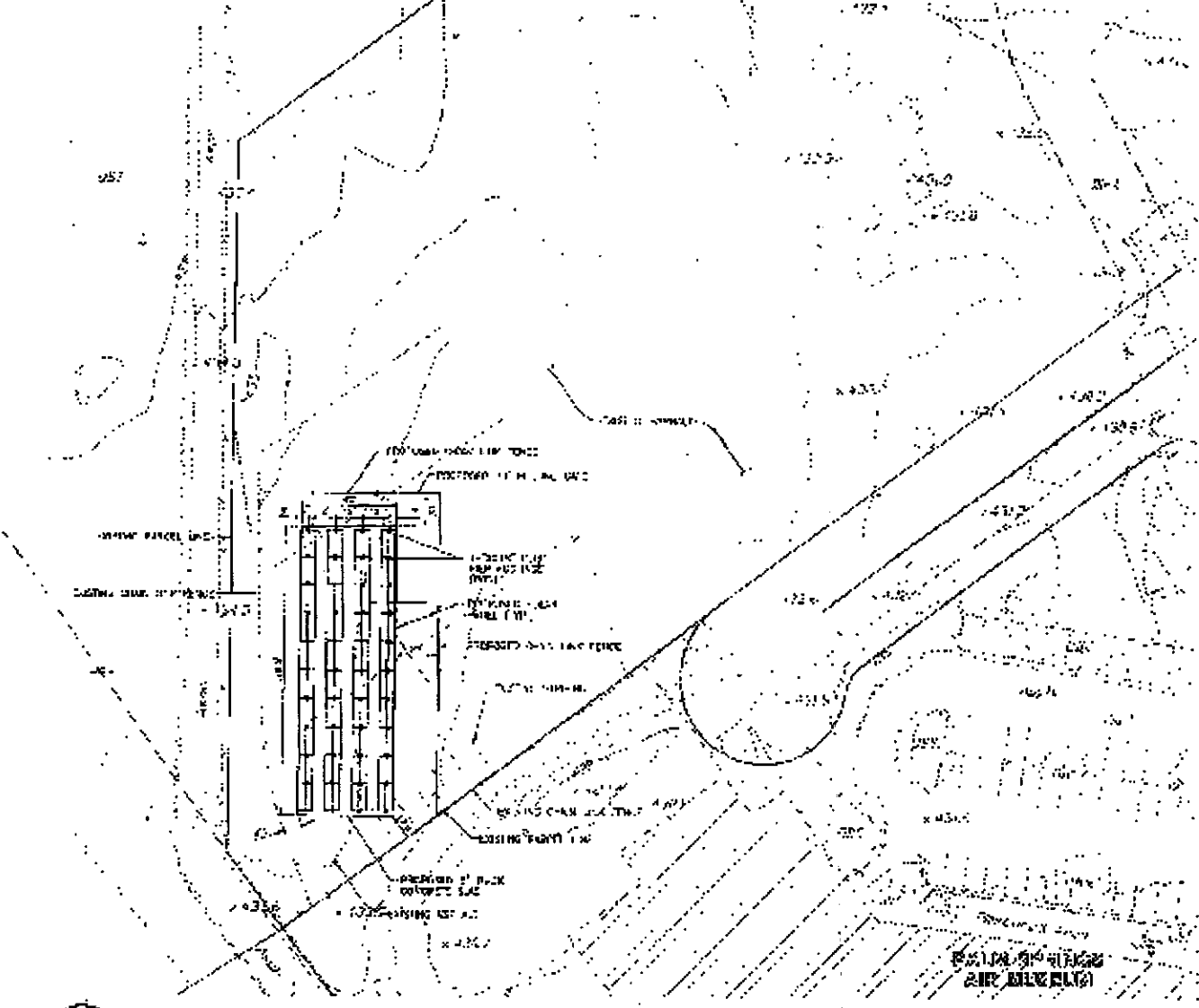


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8° 25' 03"	1050.00	154.56	77.42
DELTA/BEARING	RADIUS	LEN./DIST.	TANGENT
①			
②			
③			

DATA

EXHIBIT "C"

PALM SPRINGS INTERNATIONAL SOCIETY



PALM SPRINGS AIR MUSEUM - SOPOHELIOS PARABOLIC SOLAR SITE EXHIBIT