



CITY COUNCIL STAFF REPORT

DATE: July 22, 2009
July 15, 2009 CONSENT AGENDA

SUBJECT: Palm Springs Unified School District Amendment No. 2 to Agreement No.125 to extend term one-year to June 30, 2011 and increase rent to \$5,933.16 per month effective July 1, 2010

FROM: David H. Ready, City Manager

BY: AIRPORT DEPARTMENT

SUMMARY

This action would extend the existing airport land lease with Palm Springs Unified School District for an additional year and include a new rent which reflects fair market value.

RECOMMENDATION:

1. Recommend approval of Amendment No. 2 to Agreement No. 125 with Palm Springs Unified School District to extend the agreement one-year until June 30, 2011 at the increased rental rate of \$5,933.16 per month effective July 1, 2010.
2. Authorize the City Manager to execute all necessary documents.

STAFF ANALYSIS

The Palm Springs Unified School District (PSUSD) has been a longstanding good tenant on airport property for almost 50 years. The original lease was initiated in July of 1960 and was for a period of 50 years. Therefore as of June 30, 2010 the lease is set to expire. The PSUSD has expressed a need to continue to occupy the airport based property and has requested a one year extension to assist with their plans to construct a new facility somewhere off airport. In the lease extension the rental payment will be \$5933.16 per month as set by a recent property appraisal. This rent would be an increase from the \$150.00 which has been paid each year over the duration of the old lease. This new rent will be consistent with the Federal Aviation Administration requirements that mandate airports must receive a fair market value on all property. It is staff's recommendation that the arrangement be approved for the additional one year


period and that should PSUSD request an extension beyond this amended timeframe then there be another appraisal to establish fair market value.

FISCAL IMPACT:

The airport fund would see an increase in revenue of \$71,047.92 in the fiscal year 2010/2011.



Thomas Nolan,
Executive Director, Airport


David H. Ready, City Manager

Attachment: A2 to A125

AMENDMENT NO. 2 TO THAT CERTAIN LEASE ENTERED INTO BY AND BETWEEN THE CITY OF PALM SPRINGS AND THE PALM SPRINGS UNIFIED SCHOOL DISTRICT

THIS AMENDMENT NO. 2 TO THAT CERTAIN LEASE ENTERED INTO BY AND BETWEEN THE CITY OF PALM SPRINGS AND THE PALM SPRINGS UNIFIED SCHOOL DISTRICT ("Second Amendment") is made and entered into on this _____ day of _____, 2009, by and between the CITY OF PALM SPRINGS ("City") and the PALM SPRINGS UNIFIED SCHOOL DISTRICT ("District") (collectively referred to herein as the "Parties").

RECITALS

WHEREAS, the City and the District entered into this Lease on October 31, 1961, for the lease of real property in the City of Palm Springs, County of Riverside, State of California, as described more specifically in the Lease.

WHEREAS, the Lease was first amended on January 28, 1965.

WHEREAS, the term of the Lease, as renewed by the Parties, commenced on July 1, 1960 and is to expire on June 30, 2010.

WHEREAS, the Parties desire to extend the term of the Lease for one (1) year beginning July 1, 2010 at a monthly rent of \$5,933.16.

WHEREAS, the Parties desire to amend the Lease to provide for termination of the Lease by either party during the one year extension upon sixty (60) days written notice to the other Party.

NOW THEREFORE, in consideration of the mutual promises of the Parties hereto and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, City and District agree as follows:

1. Paragraph 2 of the Lease shall be amended in its entirety to read as follows:

"2. The term of the Lease, as renewed by the Parties from time to time, is from July 1, 1960 to June 30, 2010 ("Original Term"). Beginning July 1, 2010 the Lease will automatically be extended for not more than one (1) year, unless the District shall notify the City thirty (30) days prior to renewal that it does not desire to renew the Lease. This renewal term shall be upon the same terms and conditions, as amended herein, as the Original Term."

2. Paragraph 3 of the Lease shall be amended in its entirety to read as follows:

"3. The rent for the leased premises during the Original Term shall be at the annual rate of One Hundred Fifty Dollars (\$150.00), payment to be made on or about December 15th of each year. If the District chooses to renew the Lease for one year as provided for in Paragraph 2

above, beginning on July 1, 2010 rent for the lease premises shall be Five Thousand Nine Hundred Thirty Three Dollars and Sixteen Cents (\$5,933.16) per month. Payment of this monthly rent is to be made on or before the ____ day of each month of the renewal term.”

3. Paragraph 10 of the Lease shall be amended in its entirety to read as follows:

“City shall have the right to terminate this Lease for failure of District to perform any of the terms, covenants, or conditions hereof, but only after failure of the District to cure any such defaults after thirty (30) days written notice from the City to do so. If the District chooses to renew the Lease for one year as provided for in Paragraph 2 above, beginning on July 1, 2010 either party may terminate the Lease upon sixty (60) days written notice to the other party of the its intent to terminate the Lease.”

4. The person(s) executing this Second Amendment on behalf of the Parties hereto warrant that (i) such Party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Second Amendment on behalf of said Party, (iii) by so executing this Second Amendment, such Party is formally bound to the provisions of this Second Amendment, and (iv) the entering into this Second Amendment does not violate any provision of any other agreement to which said Party is bound.

5. The Parties further agree that, except as specifically provided for in this Second Amendment, the terms and conditions of the Lease shall remain unchanged and in full force and effect.

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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 _____ 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 signature(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: