



CITY COUNCIL STAFF REPORT

DATE: October 7, 2009 CONSENT CALENDAR

SUBJECT: THE PARADIES SHOPS, LLC – SUPPLEMENTAL SPACE USE AGREEMENTS FOR OFFICE AND STORAGE SPACE

FROM: David H. Ready, City Manager

BY: Department of Aviation

SUMMARY

The Paradies Shops, the Airport's terminal retail news and gift concessionaire, has a long-term agreement at Palm Springs International Airport and this action will continue to provide office and storage space necessary for their operational efficiency.

RECOMMENDATION:

1. Approve Supplemental Office Space Use Agreement with The Paradies Shops, LLC for 140SF Office Space effective October 20, 2009 through October 31, 2012 at \$300.88 per month.
2. Approve Supplemental Storage Space Use Agreement with The Paradies Shops, LLC for 304SF Storage Space effective November 1, 2009 through October 31, 2012 at \$508.19 per month.
3. Authorized the City Manager to execute all necessary documents.

STAFF ANALYSIS:

The Paradies Shops current supplemental storage space agreement expires on October 31, 2009. This new three-year agreement is for the same storage space and will remain at the same rate - \$20.06 per square foot per annum.

The other current supplemental office space agreement expired on October 19, 2009. This new three-year agreement will be for a slightly larger office. The prior Paradies office will be utilized by the United Service Organization (USO). The rate for the new office will

remain the same at \$25.79 per square foot per annum.

Both supplemental agreements may be cancelled by either party with 30-days written notice. The rates are consistent with the City of Palm Springs Comprehensive Fee Schedule. The Exclusive Use Space rates for Paradies are the same as those offered to the non-signatory airlines.

Due to a recent change in City Council meeting dates, this item could not go to the Airport Commission before City Council consideration. The Airport Commission will be advised of this action at their October 14, 2009 meeting.

FISCAL IMPACT:

The Supplemental Office Space Use Agreement will include an additional 26 square feet that will result in \$670.54 additional revenue per annum.



Thomas Nolan, A.A.E.
Executive Director



for David H. Ready
City Manager

Attachments:

Paradies Supplemental Storage Space Use Agreement

Paradies Supplemental Office Space Use Agreement

SUPPLEMENTAL STORAGE SPACE USE AGREEMENT
THE PARADIES SHOPS, LLC

THIS SUPPLEMENTAL SPACE USE AGREEMENT, made and entered into as of this _____ day of _____ 2009, by and between the CITY OF PALM SPRINGS, a municipal corporation ("City") and PARADIES SHOPS, LLC, a Georgia limited liability company a subsidiary of the THE PARADIES SHOPS, a Georgia Corporation ("TENANT").

RECITALS

- A. City is the owner of the Palm Springs International Airport, ("Airport"), and operates thereon the Palm Springs Airport Terminal building ("Terminal").
- B. Tenant currently is party to Lease Agreement No. 4159 for Concessions at the Palm Springs International Airport.
- C. Tenant requires additional storage space on the lower level of the Terminal during the remaining term of Agreement No. 4159.

AGREEMENT

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

ARTICLE I
PREMISES, RIGHTS AND PRIVILEGES

City hereby offers to Tenant and Tenant takes from City, for its exclusive use except as otherwise noted, certain demised premises located in the terminal building, consisting of: Lower Level Storage Space (No. 4) containing 304 square feet as designated on Exhibit "A", attached hereto and made a part of this Agreement. Demised premises may be used by Tenant as a storage area for the storage of non-perishable supplies, fixtures and equipment required for the sale of merchandise.

ARTICLE II
TERM OF AGREEMENT

The term of this Agreement shall be for a period commencing on November 1, 2009 and terminating on October 31, 2012.

ARTICLE III
RENTALS, FEES AND OTHER CHARGES

The rental rate for Storage Space No. 4 shall be computed at the rate of \$20.06 per square foot per annum and shall be \$508.19 per month, payable by Tenant to City, beginning on November 1, 2009 and the first day of each month thereafter. Rental Adjustments shall be based on current City of Palm Springs Comprehensive Fee Schedule for Lower Level Storage Space / Non Signatory.

ARTICLE IV
IMPROVEMENTS AND ALTERATIONS

No improvements, alterations or additions; other than those heretofore installed or approved by City, shall be made upon the demised premises by Tenant with the written consent of City being first obtained.

ARTICLE V
MAINTENANCE AND OPERATION

Section 1. Utilities. City shall provide electricity to the storage space.

Section 2. Repair and Maintenance. Tenant shall, at its sole cost and expense, maintain the demised premises, including all interior improvements, constructed or installed by City or Tenant therein and shall keep said premises in good condition and repair in a neat, clean and sanitary condition, and shall furnish janitorial service.

Section 3. Trash, Garbage and Other Refuse. Tenant shall provide a complete and proper arrangement for the adequate, sanitary handling and disposal of all trash, garbage and other refuse caused as a result of the operation of its business. Tenant shall provide and use suitable, covered metal receptacles for all garbage, trash and other refuse on or in connection with the demised premises. Piling of boxes, cartons, barrels or other similar items in an unsightly or unsafe manner, on or about the demised premises, is forbidden.

ARTICLE VI
INSURANCE

It is agreed by the parties that the broad insurance provisions provided under the Tenant's Lease agreement for Concessions No. 4159; a separate agreement, would also apply to the additional space provided for herein.

ARTICLE VII
TERMINATION

Termination for Convenience. City may terminate this Agreement for its convenience at any time, in whole or in part, by giving Tenant thirty (30) days written notice thereof. Upon said notice, City shall pay Tenant those allowable costs determined by the City, in its sole discretion, to be reasonably necessary to effect such termination. Thereafter, Tenant shall have no further claims against City under this Agreement.

Tenant may terminate this Agreement at any time by giving City thirty (30) days written notice thereof.

In the event Tenant fails to vacate the demised premises within thirty (30) days of written notice of termination of this Agreement given by either Tenant or City, Tenant agrees to allow City to remove and dispose of any property belonging to Tenant and shall reimburse City for the costs associated with said removal and disposal. Thereafter, Tenant shall have no further claims against City under this Agreement.

ARTICLE VIII
MISCELLANEOUS

Section 1. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 2. The mailing address of City shall be:
Palm Springs International Airport
Executive Director of Aviation
3400 E. Tahquitz Canyon Way, Suite OFC
Palm Springs, CA 92262

Until written notice of change thereof has been given to Tenant.

Section 3. The mailing address of Tenant shall be:
The Paradies Shops, Inc.
5950 Fulton Industrial Blvd. S.W.
Atlanta, Georgia 30336

Until written notice of change thereof has been given to City.

Section 4. Corporate Authority. The persons executing this Agreement 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 Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally

bound to the provisions of this agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which this party is bound.

(Signatures on next page)

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 _____ personally known to me (or 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 signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

personally appeared _____ personally known to me (or 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 signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature: _____

Notary Signature: _____

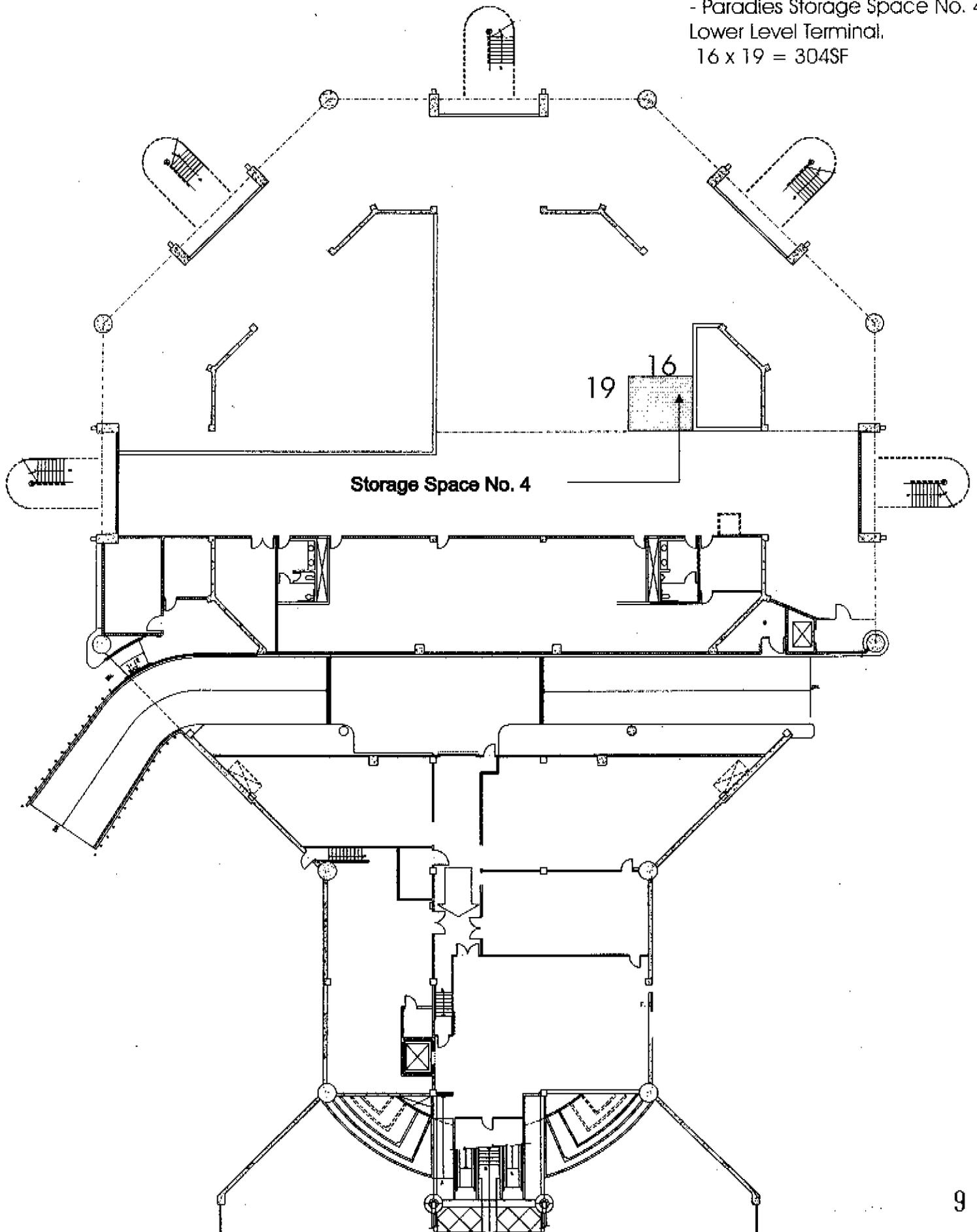
Notary Seal:

Notary Seal:

Exhibit "A"
(see attached)

Exhibit A

Palm Springs International Airport
- Paradise Storage Space No. 4.
Lower Level Terminal.
16 x 19 = 304SF



SUPPLEMENTAL OFFICE SPACE USE AGREEMENT
THE PARADIES SHOPS, LLC

THIS SUPPLEMENTAL SPACE USE AGREEMENT, made and entered into as of this _____ day of _____ 2009, by and between the CITY OF PALM SPRINGS, a municipal corporation ("City") and PARADIES SHOPS, LLC, a Georgia limited liability company a subsidiary of the THE PARADIES SHOPS, a Georgia Corporation ("TENANT").

RECITALS

- A. City is the owner of the Palm Springs International Airport, ("Airport"), and operates thereon the Palm Springs Airport Terminal building ("Terminal").
- B. Tenant currently is party to Lease Agreement No. 4159 for Concessions at the Palm Springs International Airport.
- C. Tenant requires administrative office space landside in the Terminal during the remaining term of Agreement No. 4159.

AGREEMENT

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

ARTICLE I
PREMISES, RIGHTS AND PRIVILEGES

City hereby offers to Tenant and Tenant takes from City, for its exclusive use except as otherwise noted, certain demised premises located in the terminal building, consisting of: Landside Office Space containing 140 square feet as designated on Exhibit "A", attached hereto and made a part of this Agreement. The demised premises may be used by Tenant as an administrative office that is not open to the public.

ARTICLE II
TERM OF AGREEMENT

The term of this Agreement shall be for a period commencing on October 20, 2009 and terminating on October 31, 2012.

ARTICLE III
RENTALS, FEES AND OTHER CHARGES

The rental rate for the Landside Office Space shall be computed at the rate of \$25.79 per square foot per annum and shall be \$300.88 per month, payable by Tenant to City, beginning on October 20, 2009 and the first day of each month thereafter. The first payment for the month of October 2009 will be prorated to \$110.00 for the 11-day period. Rental Adjustments shall be based on current City of Palm Springs Comprehensive Fee Schedule for Exclusive Use Space (Conditioned) / Non Signatory.

ARTICLE IV
IMPROVEMENTS AND ALTERATIONS

No improvements, alterations or additions; other than those heretofore installed or approved by City, shall be made upon the demised premises by Tenant with the written consent of City being first obtained. City will move the phone/data lines from the current Paradies Office site to the new Landside Office at no cost to the Tenant at the beginning of the term.

ARTICLE V
MAINTENANCE AND OPERATION

Section 1. Utilities. City shall provide electricity to the storage space.

Section 2. Repair and Maintenance. Tenant shall, at its sole cost and expense, maintain the demised premises, including all interior improvements, constructed or installed by City or Tenant therein and shall keep said premises in good condition and repair in a neat, clean and sanitary condition, and shall furnish janitorial service.

Section 3. Trash, Garbage and Other Refuse. Tenant shall provide a complete and proper arrangement for the adequate, sanitary handling and disposal of all trash, garbage and other refuse caused as a result of the operation of its business. Tenant shall provide and use suitable, covered metal receptacles for all garbage, trash and other refuse on or in connection with the demised premises. Piling of boxes, cartons, barrels or other similar items in an unsightly or unsafe manner, on or about the demised premises, is forbidden.

ARTICLE VI INSURANCE

It is agreed by the parties that the broad insurance provisions provided under the Tenant's Lease agreement for Concessions No. 4159; a separate agreement, would also apply to the additional space provided for herein.

ARTICLE VII TERMINATION

Termination for Convenience. City may terminate this Agreement for its convenience at any time, in whole or in part, by giving Tenant thirty (30) days written notice thereof. Upon said notice, City shall pay Tenant those allowable costs determined by the City, in its sole discretion, to be reasonably necessary to effect such termination. Thereafter, Tenant shall have no further claims against City under this Agreement.

Tenant may terminate this Agreement at any time by giving City thirty (30) days written notice thereof.

In the event Tenant fails to vacate the demised premises within thirty (30) days of written notice of termination of this Agreement given by either Tenant or City, Tenant agrees to allow City to remove and dispose of any property belonging to Tenant and shall reimburse City for the costs associated with said removal and disposal. Thereafter, Tenant shall have no further claims against City under this Agreement.

ARTICLE VIII MISCELLANEOUS

Section 1. This Agreement shall be construed and enforced in accordance with the laws of the State of California.

Section 2. The mailing address of City shall be:
Palm Springs International Airport
Executive Director of Aviation
3400 E. Tahquitz Canyon Way, Suite OFC
Palm Springs, CA 92262

Until written notice of change thereof has been given to Tenant.

Section 3. The mailing address of Tenant shall be:
The Paradies Shops, Inc.
5950 Fulton Industrial Blvd. S.W.
Atlanta, Georgia 30336

Until written notice of change thereof has been given to City.

Section 4. Corporate Authority. The persons executing this Agreement 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 Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which this party is bound.

(Signatures on next page)

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 _____
personally known to me (or 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 signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

personally appeared _____
personally known to me (or 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 signatures(s) on the instrument the person(s), or entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

WITNESS my hand and official seal.

Notary Signature: _____

Notary Signature: _____

Notary Seal:

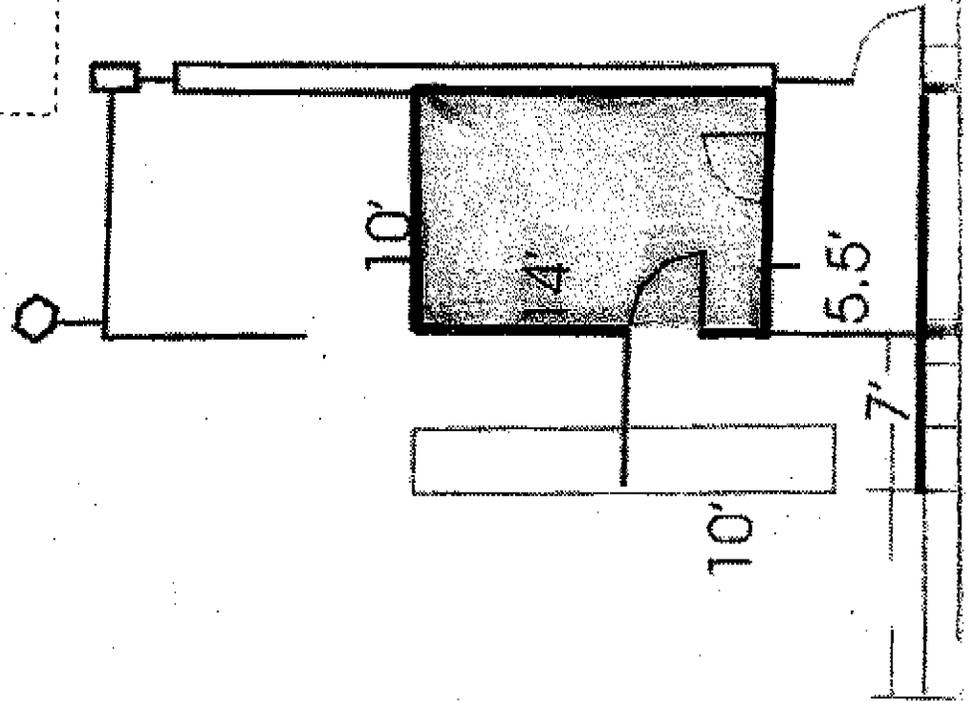
Notary Seal:

Exhibit "A"
(see attached)

EXHIBIT 'A'

Palm Springs
International Airport

LANDSIDE
Office - (14 x 10) 140 SF



Baggage
Claim

Terminal Curbside