

AN ORDINANCE 2014-03-06-0134

AUTHORIZING A LEASE AMENDMENT EXTENDING THE LEASE TERM FOR TWO YEARS AND DEFERRING THE TRANSFER OF TITLE TO TWO HANGARS FOR UP TO FIVE YEARS IN EXCHANGE FOR CERTAIN CAPITAL INVESTMENTS BY OCOTILLO AVIATION, LLC AT STINSON MUNICIPAL AIRPORT.

* * * * *

WHEREAS, Ocotillo Aviation, LLC (“Ocotillo”) is a current tenant providing T-Hangar space for general aviation aircraft at Stinson Municipal Airport; and

WHEREAS, this lease amendment will extend the lease term by two years through June 30, 2030 and defer the transfer of title to two T-hangars to the City by one year for each \$12,500.00 in capital investments made by Ocotillo by March 1, 2019, for up to five years; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her designee is authorized to execute a lease amendment with Ocotillo Aviation, LLC at Stinson Municipal Airport. A copy of the lease amendment, in substantially final form, is set out in **Attachment 1**.

SECTION 2. Funds generated by this ordinance will be deposited into Fund 51001000, Internal Order 233000000014 and General Ledgers 4405400 and 4405410.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall take effect immediately upon receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

KRH
03/06/14
Item No. 8

PASSED and APPROVED this 6th day of March, 2014.



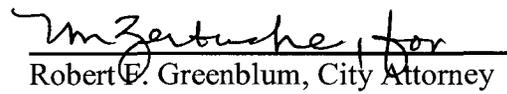
M A Y O R
Julián Castro

ATTEST:



Leticia M. Vacek, City Clerk

APPROVED AS TO FORM:



Robert E. Greenblum, City Attorney

Agenda Item:	8 (in consent vote: 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 17, 18, 18A, 18B, 19)
Date:	03/06/2014
Time:	10:01:17 AM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing an amendment to a lease agreement with Ocotillo Aviation, LLC to extend the term for two additional years to June 30, 2030 at Stinson Municipal Airport. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				
Ivy R. Taylor	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x			x	
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x				x
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

Attachment 1

STINSON MUNICIPAL AIRPORT AMENDMENT OF LEASE

THIS AMENDMENT is made in multiple originals and entered into by and between the City of San Antonio (“City” or “Lessor”), a Texas Municipal Corporation, acting by and through its City Manager pursuant to Ordinance No. _____ passed and approved on _____, and **Ocotillo Aviation, LLC**, a Texas limited liability company.

WHEREAS, an Agreement (the “Agreement”) for Lease No. 200616 at Stinson Municipal Airport (“Stinson”) between the T&M Aviation, Inc. and the City of San Antonio was entered into on February 27, 1997, pursuant to Ordinance No. 85662; and

WHEREAS, T&M Aviation, Inc. assigned its rights and obligations under the Agreement to Stinson Air Center, LLC pursuant to Ordinance No. 89353, passed and approved on March 4, 1999 and the Lease was collaterally assigned to Jefferson State Bank; and

WHEREAS, the Agreement was amended to add an additional twelve (12) years to the remaining eight (8) years under the Lease Agreement and add an additional 154,194 square feet of ground space to the Leased Premises, as authorized by Ordinance No. 89354 of March 4, 1999;; and

WHEREAS, as part of the consideration for adding 154,194 square feet of ground space and the extension of the Lease Agreement for twelve (12) years, Stinson Air Center, L.L.C. made substantial improvements upon the Leased Premises in an amount of not less than \$250,000.00; and

WHEREAS, a default occurred under the Loan, Deed of Trust and the Note given to Jefferson State Bank by Stinson Air Center, L.L.C.; and Jefferson State Bank foreclosed upon the interest of Stinson Air Center, L.L.C. in the Lease; and

WHEREAS, Check-Six Aviation, Inc. (“Check-Six) succeeded to the interest of Stinson Air Center, L.L.C. in the lease via a Substitute Trustee’s Deed; and

WHEREAS, Lease No. 200616 was amended to delete 42,025 square feet of ground space, Building 660A and 131,090 square feet of ground space adjacent thereto; and Building 660A and the 131,090 square feet of associated ground space were leased to U.S. Helicopters, Inc. via a separate agreement; said actions were authorized by Ordinance No. 99267 of June 3, 2004; and

WHEREAS, Check-Six assigned Lease 200616 to Ocotillo Aviation, LLC (“Lessee”), as authorized by Ordinance No. 2007-06-28-0781; and the Lease was amended to delete all but a 117,882 square feet tract on which a T-Hangar development is situated; and Sky Safety, Inc, by separate agreement, agreed to lease the premises that were deleted; and

WHEREAS, the Lease was amended to add a tract of land consisting of 60,181 square feet in area, as authorized by Ordinance No 2008-06-19-0574; and

WHEREAS, the Lease was amended to add 8,841 square feet of space adjacent to the Leased Premises, as authorized by Ordinance No 2010-01-21-0055; and

WHEREAS, this Lease is set to expire on July 1, 2028 and the parties desire to extend the term of the Lease for two additional years: and

WHEREAS, title to Hangar 11 and Hangar 12 of the Leased Premises are to revert to Lessor on March 1, 2019 and the parties desire to delay the transfer of title dependent upon the amount of capital improvements Lessee will perform on the aforementioned hangars; and

NOW THEREFORE: In consideration of the terms, covenants and promises, agreements and demises herein contained, and for other good and valuable consideration, each to the other given, the receipt and sufficiency of which is hereby acknowledged, the City and Lessee agree as follows with respect to Lease No. 200616:

1. Section 3 of Lease No. 200616 is hereby amended by extending the term of the Lease for two years through June 30, 2030, unless sooner terminated in accordance with the provisions of the Lease. Title to Building 673 and all fixtures annexed thereto shall remain with Lessee through June 30, 2030, unless sooner terminated in accordance with the provisions of the Lease.
2. Title to Hangar 11 and Hangar 12 is set to transfer to and vest in the City on March 1, 2019 in accordance with the terms of the Lease. The transfer of title to Hangars 11 and 12 will be delayed one year for each \$12,500.00 in capital improvements to Hangars 11 and 12 made by Lessee after the effective date of this Amendment and completed before March 1, 2019, for up to a maximum of a five year delay of title transfer (March 1, 2024). The dollar value of capital improvement Lessee is required to make in order to extend the transfer of title may be made through multiple projects or a single capital improvement project. Lessor reserves the right to ask for and Lessee shall provide such documentation as Lessor shall reasonably require to substantiate the amount of Lessee's minimum annual capital requirements.

This Amendment sets forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Except as amended herein, all of the terms and provisions of the Agreement between the parties shall remain in full force and effect. In case of any inconsistency between the provisions of the Agreement and this Amendment, the later provision shall govern and control.

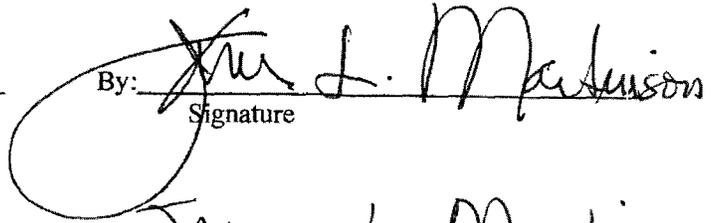
This Amendment shall be effective the first day of the month following passage of an Ordinance by the City Council of San Antonio approving this Amendment.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment of Lease as of the dates set forth below.

CITY: CITY OF SAN ANTONIO

LESSEE: OCOTILLO AVIATION, LLC

By: _____
Sheryl Sculley
City Manager

By: 
Signature

JAMES L. MARTINSON
Printed Name & Title

Date: _____

Date: 1/28/2014

APPROVED AS TO FORM:

City Attorney