

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT: Aviation

AGENDA DATE: September 10, 2024

CONTACT PERSON NAME AND PHONE NUMBER: Tony Nevarez, (915) 212-0330

DISTRICT(S) AFFECTED: District 3

CITY STRATEGIC GOAL 1: Create an Environment Conducive to Strong, Sustainable Economic Development.

SUBJECT:

A Resolution that the City Manager, or designee, be authorized to sign a Lessor's Approval of Assignment of a General Aviation Non-Commercial Lease by and among the City of El Paso ("Lessor") and Rook Property Management, LLC, ("Assignor") regarding the following property:

Lot 16, 17 and 18, Block 4, El Paso International Airport Tracts, an addition to the
City of El Paso, El Paso County, Texas municipally known and numbered as 7301
Boeing Dr., El Paso, Texas

BACKGROUND / DISCUSSION:

The Department of Aviation requests the approval to allow the transfer of rights possessed by Rook Property Management, LLC, to UIRC El Paso TX Hangar, LLC

Rental Fee: 60,000 square feet at \$0.4640 = \$27,840.00 annually / \$2,320.00 monthly. Next rental adjustment is due July 1, 2028.

Term: Initial term of twenty (20) years with two (2) options of ten (10) years each

PRIOR COUNCIL ACTION:

July 10, 2013 – Lease

AMOUNT AND SOURCE OF FUNDING:

N/A: This is a revenue generating item.

BOARD / COMMISSION ACTION:

N/A

DEPARTMENT HEAD:



Tony Nevarez, CM, ACE, IACE, Interim Director of Aviation



Department of Aviation

MAYOR
Oscar Leaser

To: City Council

From: Tony Nevarez, Interim Aviation Director *DN*

CITY COUNCIL

Subject: Lessor's Approval of Assignment – 7301 Boeing Drive

Date: September 10, 2024

District 1
Brian Kennedy

The Department of Aviation is requesting that the City Manager, or designee, be authorized to sign a Lessor's Approval of Assignment of a General Aviation Non-Commercial Lease by and among the City of El Paso ("Lessor") and Rook Property Management, LLC ("Assignor regarding the following property:

District 2
Dr. Josh Acevedo

District 3
Cassandra Hernandez

Lot 16, 17 and 18, Block 4, El Paso International Airport Tracts, an addition to the City of El Paso, El Paso County, Texas municipally known and numbered as 7301 Boeing Dr., El Paso, Texas

District 4
Joe Molinar

District 5
Isabel Salcido

Assignor has requested the Lessor's approval and consent to an assignment of the Lease to UIRC El Paso TX Hangar, LLC, a Delaware limited liability company.

District 6
Art Fierro

The current rental rate is calculated by 60,000 square feet at \$0.4640 for an annual total of \$27,840.00 or \$2,320.00 monthly. The next rental readjustment will be calculated pursuant to the percentage increase in the Consumer Price Index for all Urban Consumers (CPI-U) in 2028.

District 7
Henry Rivera

District 8
Chris Canales

This lease has an initial term of twenty (20) years with two (2) option of ten (10) years.

**INTERIM CITY
MANAGER**
Cary Westin

The initial ground lease was approved by Council on July 10, 2013. This is a revenue-generating lease that for the life of the initial term of twenty (20) years will generate a minimum of \$556,800.00.



Tony Nevarez, CM, ACE, IACE

Interim Aviation Director

El Paso International Airport | 6701 Convair Road | El Paso, TX 79925

O: (915) 212-0330 | FlyEIPaso.com



DELIVERING EXCEPTIONAL SERVICES

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager, or designee, be authorized to sign a Lessor’s Approval of Assignment of a General Aviation Non-Commercial Lease by and among the City of El Paso (“Lessor”) and Rook Property Management, LLC, (“Assignor”) regarding the following property:

Lots 16, 17 and 18, Block 4, El Paso International Airport Tracts, an addition to the City of El Paso, El Paso County, Texas, municipally known and numbered as 7301 Boeing Dr., El Paso, Texas.

APPROVED this ____ day of _____, 2024.

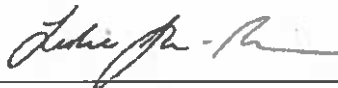
THE CITY OF EL PASO

Oscar Leeser
Mayor

ATTEST:


Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Leslie B. Jean-Pierre
Assistant City Attorney

APPROVED AS TO CONTENT:



Juan Antonio Nevarez, CM, ACE, IACE
Interim Director of Aviation

STATE OF TEXAS §
 §
COUNTY OF EL PASO §

LESSOR'S APPROVAL OF ASSIGNMENT

WHEREAS, the City of El Paso ("Lessor") entered into a General Aviation Non-Commercial Lease, with an Effective Date of July 10, 2013 (the "Lease"), between the Lessor and Rook Property Management, LLC, ("Assignor"), for the following described property:

Lots 16, 17 and 18, Block 4, El Paso International Airport Tracts, an addition to the City of El Paso, El Paso County, Texas, municipally known and numbered as 7301 Boeing Dr., El Paso, Texas and being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof ("Property");

WHEREAS, Assignor has requested the Lessor's approval and consent to an assignment of the Lease to UIRC El Paso TX Hangar, LLC., a Delaware limited liability company.

NOW THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **CONSENT TO ASSIGNMENT.** Lessor hereby approves and consents to the assignment of the Lease from Assignor to UIRC El Paso TX Hangar, LLC. ("Assignee"), on the condition that Assignee assumes and becomes liable to pay any and all sums owing or becoming due Lessor under the terms of the Lease from and after the effective date of the assignment of the Lease to Assignee, and upon the further condition that Assignee agrees to accept and abide by all the terms, covenants, and conditions of the Lease.

Assignee does hereby assume and agrees to be liable to pay any and all sums owing or becoming due Lessor under the terms of the Lease from and after the effective date of the assignment of the Lease to Assignee, and Assignee agrees to accept and abide by all the terms, covenants, and conditions of the Lease.

2. **GROUND RENTAL ADJUSTMENTS.** Annual "Ground Rental" (as such term is defined in the Lease) was \$23,202.00 for the first five years of the "Initial Term" (as such term is defined in the Lease). Annual Ground Rental for the second five years of the Initial Term (the "**Second Five Year Period**") was also \$23,202.00. On June 13, 2024, Landlord adjusted annual Ground Rental for the third five years of the Initial Term (the "**Third Five Year Period**") to \$27,842.40 (the "**Third Period Adjustment**"), which is the amount currently due and payable under the terms of the Lease. All rents and other charges due to Lessor pursuant to the Lease for the Property have been paid in full through July 31, 2024, including, without limitation, amounts due Lessor pursuant to invoice dated June 13, 2024, covering amounts owed by Lessee on account of the Third Period Adjustment. Notwithstanding anything in the Lease to the contrary, Lessor hereby expressly and

irrevocably waives: (i) any right under the Lease to adjust Rent for the Second Five Year Period and (ii) any right under the Lease to further adjust Rent for the Third Five Year Period.

3. **PROOF OF INSURANCE AND INDEMNIFICATION.** Assignee has provided a certificate of insurance to evidence compliance with the insurance requirements of the Lease and expressly agrees to be bound by the indemnification provisions contained in the Lease.
4. **RELEASE.** Assignor is hereby released and discharged by Lessor from all rights, privileges, responsibilities and obligations under the Lease first arising and accruing from and after the effective date of the assignment of the Lease and Lessor and Assignee each hereby acknowledges that, as of the effective date of the assignment, Assignee enjoys all such rights and privileges and is responsible for satisfying all such obligations the same as if the Lease had originally been executed between Lessor and Assignee.
5. **SECURITY DEPOSIT.** Assignee shall tender a Security Deposit in an amount equal to three (3) months of rent to Lessor. Assignee shall be obligated to maintain the Security Deposit for eighteen (18) consecutive months from the effective date of this Lessor's Approval of Assignment. The Security Deposit shall be in such form acceptable to the Director of Aviation. If at the end of the eighteen (18) month period, Assignee has not defaulted under the Lease, Lessor will return the Security Deposit to Assignee.
6. **RATIFICATION OF LEASE.** Except as expressly set forth herein, no provision of this Approval alters or modifies any of the terms and conditions of the Lease, and all other terms and conditions of the Lease shall remain in full force and effect.
7. **ADDRESS FOR NOTICE.** Notices to Assignee and Assignor shall be sufficient if sent by certified mail, postage prepaid, addressed to:

ASSIGNOR: Rook Property Management, LLC
960 Verede Del Valle
El Paso, Texas 79932
Attn: Robert E. Rook, Jr.

ASSIGNEE: UIRC El Paso TX Hangar, LLC
15700 103rd Street, Suite 100
Lamont, IL 60439
Attn: Ed Rutledge, Authorized Signatory
8. **AUTHORIZED REPRESENTATIVE.** The persons signing this Lessor's Approval of Assignment on behalf of the Assignee and Assignor represent and warrant that they have the legal authority to bind the Assignee and Assignor, respectively, to the provisions of this Lessor's Approval of Assignment.

9. **NON-WAIVER.** The Lessor's Approval of Assignment hereby given by Lessor shall not end the need for Lessor's consent for any future assignments.
10. **EFFECTIVE DATE.** The Effective Date of this Lessor's Approval of Assignment will be the date this document is approved by the El Paso City Council.
11. **COUNTERPARTS.** This Lessor's Approval of Assignment may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, and all of which shall constitute one and the same instrument as if all parties had signed the same signature page.

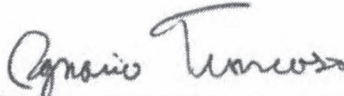
(Signatures begin on the following page)

APPROVED THIS _____, 2024.

LESSOR: CITY OF EL PASO

Dionne Mack
City Manager

APPROVED AS TO FORM:



Ignacio Troncoso
Assistant City Attorney

APPROVED AS TO CONTENT:



Juan Antonio Nevarez, CM, ACE, IACE
Interim Director

LESSOR'S ACKNOWLEDGEMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

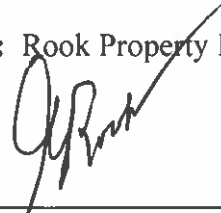
This instrument was acknowledged before me on this ___ day of _____, 20__ by Dionne Mack as City Manager for the **City of El Paso, Texas** (Lessor).

Notary Public, State of Texas

My Commission Expires:

(Signatures continue on the following page)

ASSIGNOR: Rook Property Management, LLC



By: _____

Print Name: Robert E. Rook, Jr.

Its: Manager/Member

ASSIGNOR'S ACKNOWLEDGEMENT

THE STATE OF Texas)

COUNTY OF EL PASO)

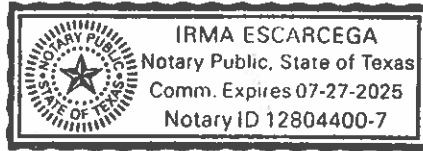
This instrument was acknowledged before me on this 26th day of August, 2024, by Robert E. Rook, Jr., Manager/Member of Rook Property Management, LLC, on behalf of said corporation (Assignor).



My Commission Expires:

Notary Public, State of Texas

07-27-2025



(Signatures continue on the following page)

A

EXHIBIT

