

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

DEPARTMENT: Aviation

AGENDA DATE: October 29, 2019

CONTACT PERSON NAME AND PHONE NUMBER: Monica Lombraña, A.A.E., Managing Director of
Aviation and International Bridges
915 212-7301

DISTRICT(S) AFFECTED: District 3

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

SUBJECT:

This Resolution is to authorize the City Manager to sign a Lessor's Approval of Assignment by and among the City of El Paso ("Lessor"), Manir Properties 3, LLC ("Assignor") and 7 Hills El Paso, LLC ("Assignee") for property described as a portion of Lot 1, Block1A, El Paso International Airport Tracts, Unit 4, City of El Paso, El Paso County, Texas, commonly known as 1940 Airway Boulevard, El Paso, Texas. The remaining lease term is 27 years and 2 months with one (1) ten-year option.

Lease Area: 57,375 square feet

Rent: \$0.6845 per square feet

Annual Rent: \$39,273.18.

BACKGROUND / DISCUSSION:

This assignment is for the Comfort Suites Hotel, 1940 Airways. The current lease agreement expires December 31, 2046. If the option is exercised, the expiration date is December 31, 2056.

TERM:

The effective date of the Assignment is October 29, 2019. The lease term is 40 years with one (1) ten year option.

RENTAL FEES:

Land 57,375 SF x \$0.63 per SF = \$39,273.18 annually.

PRIOR COUNCIL ACTION:

Initial lease approved by council on November 22, 2005 with an effective date of January 01, 2006. Memorandum of Lease approved June 28, 2006. Lessors Approval of Assignment approved September 15, 2015. Lessors Approval of Re-Branding approved January 24, 2017.

AMOUNT AND SOURCE OF FUNDING:

N/A: This is a revenue-generating item.

BOARD / COMMISSION ACTION:

N/A

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

for:

Monica Lombraña, A.A.E.
Managing Director of Aviation & International Bridges

Information copy to appropriate Deputy City Manager

RESOLUTION

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

That the City Manager is authorized to sign a Lessor's Approval of the Assignment of Ground Lease by and between the City of El Paso ("Lessor"), Manir Properties 3, LLC ("Assignor"), and 7 Hills El Paso, LLC ("Assignee") for the following described property:

A portion of Lot 1, Block 1A, El Paso International Airport Tracts, Unit 4, City of El Paso, El Paso County, Texas, containing approximately 57,375 square feet of land and municipally known and numbered as 1940 Airway Blvd., El Paso, Texas.

Dated this ____ day of _____ 2019.


CITY OF EL PASO

Dee Margo
Mayor

ATTEST:


Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Kristen Lynn Hamilton-Karam
Assistant City Attorney

APPROVED AS TO CONTENT:



Monica Lombraña, A.A.E.
Managing Director of Aviation and
International Bridges

STATE OF TEXAS §
 § LESSOR'S APPROVAL OF ASSIGNMENT
COUNTY OF EL PASO §

WHEREAS, the City of El Paso ("Lessor") entered into a Hotel Site Lease, with an Effective Date of January 1, 2006 (the "Lease"), between the Lessor and Flight Deck EP, L.P., a Texas corporation, for the following described property:

A portion of Lot 1, Block 1A, El Paso International Airport Tracts, Unit 4, City of El Paso, El Paso County, Texas, commonly known as 1940 Airway Boulevard, El Paso, Texas, containing approximately 57,375, more or less, and being more particularly described by metes and bounds in Exhibit "A" attached hereto and made a part hereof ("Property");

WHEREAS, on September 15, 2015, Lessor, Flight Deck EP, LLC and Manir Properties 3, LLC ("Assignor" herein), entered into a Lessor's Approval of Assignment.

WHEREAS, Assignor has requested the Lessor's approval and consent to an assignment of the Lease to 7 Hills El Paso, LLC ("Assignee").

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 7 Hills El Paso, LLC, 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. **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.
3. **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.

4. **SECURITY DEPOSIT.** No Security Deposit is required as a condition to this Approval.
5. **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.
6. **ADDRESS FOR NOTICE.** Notices to Assignee and Assignor shall be sufficient if sent by certified mail, postage prepaid, addressed to:

ASSIGNOR: Manir Properties 3, LLC
Attn: Richard Cane
211 North Florence
El Paso, Texas 79901

ASSIGNEE: 7 Hills El Paso, LLC
1830 Waban Lane
Schaumburg, Illinois 60193
Attn: Venkat Ravilla

7. **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.
8. **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.
9. **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.
10. **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 _____ day of _____, 2019.

LESSOR: CITY OF EL PASO

Tomás González
City Manager

APPROVED AS TO FORM:

Kristen Lynn Hamilton-Karam
Assistant City Attorney

APPROVED AS TO CONTENT:

for: _____
Monica Lombraña, A.A.E.
Managing Director of Aviation and
International Bridges

LESSOR'S ACKNOWLEDGEMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this ____ day of _____, 2019, by
Tomás González as **City Manager** of the **City of El Paso, Texas** (Lessor).

Notary Public, State of Texas

My Commission Expires:

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

ASSIGNOR: MANIR PROPERTIES 3, LLC

By: 

Print Name: Madhavan Nair

Title: Managing member

ASSIGNOR'S ACKNOWLEDGEMENT

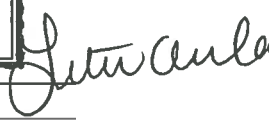
THE STATE OF TEXAS)

COUNTY OF El Paso)

This instrument was acknowledged before me on this 21 day of October, 2019, by Madhavan Nair, Managing member (Title) of Manir Properties 3, LLC, on behalf of said corporation (Assignor).



My Commission Expires:
May 14, 2020

Notary Public, State of TEXAS 

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

ASSIGNEE: 7 HILLS EL PASO, LLC

By: [Signature]

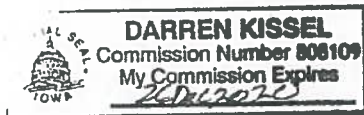
Its: MANAGER

UMASHANKAR SUBRAMANIAM

ASSIGNEE'S ACKNOWLEDGEMENT

THE STATE OF Iowa)
COUNTY OF Johnson)

This instrument was acknowledged before me on this 21 day of October, 2019, by Umo Manager UMASHANKAR SUBRAMANIAM (Title) [Complete Legal Name] [Corporate form] (Assignee), on behalf of said [Corporate Form].



[Signature]
Notary Public, State of Iowa

My Commission Expires:

26 Dec 2020