BILL 2012-46

****** First Reading ******

Agenda Item

TO: Mayor and City Council

FROM: Mark S. Gaugh, City Manager

DATE: September 17, 2012

RE: Airport Hangar Rental Ordinance

Issues

The attached ordinance allows for the Council to enter into an agreement with Jim Heavner for the rental of a box hangar at the Cameron Airport. The original agreement was agreed to by the City of Cameron with Crouch Ag, which constructed the box hangar in 1987. Crouch Ag later assigned the lease to Mr. Heavner in 1998. In 2010, the property became eligible for rent, as it became property of the City. The extension of the lease with Mr. Heavner will run through August, 2013. The rent will be $350 per month, and payable from 2010 to present.

Recommendation

Staff recommends that the Council approve the utility ordinance as proposed. Two readings are recommended.

Bill 2012-46

AN ORDINANCE AUTHORIZING THE EXECUTION OF A MODIFICATION OF LEASE AGREEMENT BETWEEN THE CITY OF CAMERON, CLINTON AND DEKALB COUNTIES, MISSOURI AND JIM HEAVNER d/b/a RED X MOTORS, INC. FOR THE BOX HANGAR LOCATED AT THE CAMERON MEMORIAL AIRPORT

WHEREAS, the City of Cameron owns a box hangar, commonly referred to as the Red X Hangar, located on property at the Cameron Memorial Airport; and

WHEREAS, the City desires to lease the hangar based upon an extended term beginning September 1, 2012, through August 31, 2013, for the sum of $350.00 per month; and

WHEREAS, Jim Heavner desires to rent the hangar on the Airport property pursuant to the Modification of Lease Agreement, the form of which is attached as Exhibit A; and

WHEREAS, the City is authorized to lease properties at fair market value.

NOW, THEREFORE, BE IT ORDAINED by the City of Cameron, Clinton and DeKalb Counties, Missouri as follows:

Section 1. The City Manager is hereby authorized to enter into a contract with Jim Heavner d/b/a Red X Motors, Inc. for the lease of the box hangar at the Cameron Memorial Airport, all as per the Modification of Lease Agreement attached hereto and made a part hereof.

Section 2. The City Manager is authorized to execute ancillary documents necessary to effect this transaction.

Section 3. The Mayor is hereby authorized to sign this ordinance on behalf of the City of Cameron.

Section 4. The City Clerk is hereby directed to attest to the Mayor's signature.

Section 5. This Ordinance shall be in full force and effect from and after its passage.

Passed and approved on first reading this 17th day of September 2012.
Passed and approved on second reading this _____ day of _____ 2012.
Passed and approved on third and final reading this _____ day of _____ 2012.

_____
Mayor Dennis M. Clark

ATTEST:

_____
City Clerk/Finance Clerk

First Reading

CITY OF CAMERON, LESSOR
RED X MOTORS, INC., LESSEE

MODIFICATION OF LEASE AGREEMENT

This Modification of Lease Agreement is made and entered into this 1 day of Sept, 2012, by and between CITY OF CAMERON ("Lessor") and JIM HEAVNER, D\B\A\RED X MOTORS, INC. ("Lessee").

WHEREAS, the City of Cameron and Crouch Ag Inc. previously entered into a Lease Agreement dated March 3, 1987, and modified on August 16, 1988, and amended on August 21, 1990, for the following hangar property description:

SEE EXHIBIT "A" ATTACHED HERETO

WHEREAS, Crouch Ag Inc. assigned the aforementioned Lease to Jim Heavner, d\b\a\ Red X Motors, Inc. on March 29, 1998, with the City of Cameron consenting to said assignment on April 7, 1998;

WHEREAS, it is mutually desired by said parties to modify said Agreement and Amendment thereto and it is hereby agreed that said Lease Agreement previously entered into by the City of Cameron and Crouch Ag Inc. and thereafter assigned to Jim Heavner, d\b\a Red X Motors, Inc. shall be modified as follows:

1. TERM: Pursuant to Section Two of Lease Agreement, the term of this Lease is extended from September 1, 2012, through August 31, 2013.

2. RENT: Lessee shall pay to Lessor as rent for the Leased Premises the sum of $350.00 per month on the first day of each month beginning September 1, 2012. Upon signing this Lease, Lessee is to pay Lessor the lump sum payment of $10,500.00 for rent from March 10, 2010, through August 31, 2012.

REAFFIRMATION: All terms of the Lease not expressly herein amended are hereby reaffirmed including Lessee's right to renew this Lease for successive one year terms as provided in Section Three. All other conditions of said Lease shall remain unchanged.

In Witness Whereof, the parties have executed this Lease on the day and year first above written.

Date:_____ The City of Cameron

BY:_____
* * * LESSOR * * *

Date:_____ _____
Jim Heavner
D\B\A Red X Motors Inc.

* * * LESSEE* * *

EXHIBIT "A"

ALL-STATE LEGAL®

CITY - CROUCH HANGAR PROPERTY DESCRIPTION

Begin at the Northeast corner of the Northwest quarter of Section 28, Township 57, Range 30, Clinton County, Missouri. Thence North 88° 23' West, along the North line of said Northwest quarter of Section 28, 442.9 feet; thence South 1,128.9 feet to the "true point of beginning". Thence continue South 60.0 feet; thence East 60.0 feet; thence North 60.0 feet; thence West 60.0 feet to the "true point of beginning".