



Background Paper for Proposed Ordinance

COUNCIL MEETING DATE: September 12, 2022

TO: President Heather Graham and Members of City Council

CC: Mayor Nicholas A. Gradisar

VIA: Marisa Stoller, City Clerk

FROM: Daniel C. Kogovsek, City Attorney

SUBJECT: AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 2 TO A HANGAR LEASE BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND LOCKHEED MARTIN CORPORATION, A MARYLAND CORPORATION, RELATING TO LAND AND A HANGAR BUILDING LOCATED AT THE PUEBLO MEMORIAL AIRPORT

SUMMARY:

Attached is an Ordinance approving and authorizing the Mayor to sign Amendment No. 2 to a hangar lease between the City and Lockheed Martin Corporation, a Maryland corporation ("Company") pertaining to land and a hangar building located at the Pueblo Memorial Airport.

PREVIOUS COUNCIL ACTION:

On July 24, 2017, by Resolution No. 13734, City Council approved the original two year hangar lease between the City and Company.

On August 24, 2020, by Ordinance No. 9772, City Council approved an amendment to the original lease agreement ("Amendment No. 1") which:

- Extended term of the lease by two years, with the Company having the option to renew the lease for an additional two terms of one year each.
- Company agreed to pay landing fees and further agreed to reimburse the City for snow removal.
- Company agreed to lease the hangar and the property on a "triple net" basis with the Company paying all applicable taxes, insurance and utilities. In addition, the Company agreed to pay the City of Pueblo's combined service fee.
- The City agreed to install certain electrical upgrades to the hangar building, in an amount not to exceed Thirty-two Thousand Dollars (\$32,000.00) in accordance with specifications agreed to by the parties.

BACKGROUND:

The City and the Company have negotiated a second extension to the hangar lease containing the following terms and conditions:

1. The lease is extended for an additional two (2) years through July 23, 2024.
2. Company shall pay rent to the City as follows:

Dates	Amount of Rent per Month
07/24/22 to 07/23/23	\$6,500.00
07/24/23 to 07/23/24	\$7,000.00

3. The City has agreed to install a new concrete floor in the front office area of the building at a cost not to exceed \$70,000.

FINANCIAL IMPLICATIONS:

As set forth above.

BOARD/COMMISSION RECOMMENDATION:

Not applicable to this Ordinance.

STAKEHOLDER PROCESS:

Not applicable to this Ordinance.

ALTERNATIVES:

City Council has the option of not extending the lease or not agreeing to install a new concrete floor in the front office area of the hangar.

RECOMMENDATION:

The Pueblo Economic Development Corporation recommends approval of this Ordinance.

Attachments:

Proposed Ordinance

Proposed amendment to hangar lease

ORDINANCE NO. _____

AN ORDINANCE APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE AMENDMENT NO. 2 TO A HANGAR LEASE BETWEEN THE CITY OF PUEBLO, A COLORADO MUNICIPAL CORPORATION AND LOCKHEED MARTIN CORPORATION, A MARYLAND CORPORATION, RELATING TO LAND AND A HANGAR BUILDING LOCATED AT THE PUEBLO MEMORIAL AIRPORT

BE IT ORDAINED BY THE CITY COUNCIL OF PUEBLO, that:

SECTION 1.

The Amendment No. 2 to Hangar Lease (“Amendment No. 2”) between the City of Pueblo, a Colorado municipal corporation and Lockheed Martin Corporation, a Maryland corporation (“Company”) dated September 26, 2022, a copy of which is attached hereto and incorporated herein by this reference, having been approved as to form by the City Attorney is hereby approved.

SECTION 2.

The Mayor is authorized to execute and deliver the Amendment No. 2 in the name of the City and the City Clerk is authorized to affix the seal of the City thereto and attest same.

SECTION 3.

The officers and staff of the City are authorized to perform any and all acts consistent with this Ordinance and the attached Amendment No. 2 which are necessary or appropriate to implement the transactions described therein.

SECTION 4.

This Ordinance shall become effective on the date of final action by the Mayor and City Council.

Action by City Council:

Introduced and initial adoption of Ordinance by City Council on _____.

Final adoption of Ordinance by City Council on _____.

President of City Council

Action by the Mayor:

- Approved on _____.
- Disapproved on _____ based on the following objections:

Mayor

Action by City Council After Disapproval by the Mayor:

- Council did not act to override the Mayor's veto.
- Ordinance re-adopted on a vote of _____, on _____
- Council action on _____ failed to override the Mayor's veto.

President of City Council

ATTEST

City Clerk