

TRUCKEE TAHOE AIRPORT DISTRICT BOARD OF DIRECTORS STAFF REPORT

AGENDA TITLE:	Lift Lease Amendment for Janitorial
MEETING DATE:	Wednesday, December 4, 2024
PREPARED BY:	Jeff Menasco, Director of Aviation

<u>RECOMMENDED ACTION</u>: Board approve Lift lease amendment to remove janitorial services from the Common Area Maintenance (CAM) and have Lift pay for and manage that service directly.

DISCUSSION: Lift has had challenges with their level of janitorial and landscaping service. Lift is requesting TTAD to remove both those items from the CAM fees and manage directly. Due to the nature of multiple tenants sharing the CAM for outdoor landscaping, Staff is recommending to only remove janitorial from the CAM for Lift.

TTAD would provide janitorial standards to maintain, and if Lift does not meet those standards, Lift would have 30 days to come into compliance, and if not cured with 30 days, TTAD would resume management of services and charge Lift via CAM. If approved, this amendment would be signed by Lift, Clear Capital, and TTAD.

FISCAL IMPACT: Would decrease TTAD staff time to manage the janitorial contract for Lift.

PUBLIC COMMUNICATIONS: None.

<u>SAMPLE MOTION(S)</u>: Approve via Consent.

ATTACHMENT:

1: Letter from Lift owner Mr. Jan Holan.

Attachment 1.



Nov 8, 2024

RE: Lease amendment to manage and pay janitorial and landscape maintenance services

TTAD Board and Staff,

Based on conversations with TTAD staff, the Lift is proposing a draft lease amendment to manage and pay janitorial and landscape maintenance services directly and excluding these costs from Common Area Maintenance (CAM) fees.

Janitorial Services: Since March 2023, Lift staff have spent considerable time communicating with Airport Staff, the janitorial contractor, and their Reno-based subcontractor to improve the level of service with little effect. As an example, we have had numerous communications about the importance of cleaning urinals and cleaning floors consistently. The Lift staff have been filling in the gaps in service which distracts from support of the growing community using the space. Airport Staff are unnecessarily burdened with an additional layer of management which does not directly provide additional value to the tenant.

Landscape Services: While the landscape services have not been nearly the source of friction and frustration as the janitorial contract, we believe we will receive more value and service with lower administrative load for TTAD if the Lift manages landscape services directly. As one minor example, we had a dead chokecherry tree near our front entrance for months this summer. Honestly, we didn't want to bother TTAD staff to rectify this. We would also like to take a more proactive approach to managing noxious invasive non-native weeds under the direction of Lift members with botanical expertise.

Standards. We understand the importance of maintaining a high level of service for our customers and the community at large. The proposed amendment allows TTAD to communicate a "Standard" level of service to be maintained.

Service Compliance and Notice: If the Lift does not meet the established Standard, TTAD may issue a written notice. TTAD may resume management of these services and reassign the service costs to CAM if the Lift fails to meet the Standard within 30 days of notice or receives multiple notices of non-compliance.

Please don't hesitate to reach out to me if you have any questions or propose any changes to the attached draft lease amendment.

With gratitude,

Jan Holan

DRAFT not for signature – SECOND AMENDMENT TO LEASE

This Second Amendment to Lease (this "Second Amendment") is made as of December 1, 2024 (the "Second Amendment Date") by and among the TRUCKEE TAHOE AIRPORT DISTRICT ("Lessor"), CLEARCAPITAL.COM, a California corporation ("Assignor"), and TRUCKEE RIVER VENTURES, INC. DBA LIFT TRUCKEE, a California corporation located at 10266 Truckee Airport Rd, Suite C. Truckee, CA 96161 ("Lessee").

WITNESSETH

WHEREAS, Lessor and Assignor were the parties to that certain Lease dated February 17, 2015 (the "Lease"), pursuant to which Lessor is leasing to Assignor the land and improvements located at 10266 Truckee Airport Rd. Suite C, Truckee, CA 96161, as more particularly described in the Lease (the "Premises");

WHEREAS, Assignor assigned to Lessee, and Lessee assumed all of Assignor's right, title, and interest in and to the Lease in the fully executed ASSIGNMENT, ASSUMPTION AND FIRST AMENDMENT TO LEASE (the "First Amendment") dated March 1, 2023; and

WHEREAS, the parties have agreed to amend the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the covenants herein reserved and contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor, Assignor and Lessee hereby agree as follows:

- 1. Janitorial Services. Janitorial services as referenced in Section 6 UTILITIES, MAINTENANCE AND INSURANCE COSTS will be managed and paid directly by the Lessor and NOT INCLUDED in the Common Area Maintenance Fees ("CAM") commencing the Second Amendment Date.
- 2. **Reasonable Standard**. Lessor will determine and provide in writing a reasonable standard "**Standard**" of janitorial services which must be maintained by the Lessee.
- 3. Notice. If the Standard is not met, Lessor will provide written notice "Notice" to Lessor.
- Revocability. Lessor retains the right to resume management and payment of janitorial services, the cost of which to be included in the CAM, if the Lessee fails to meet the Standard within thirty (30) days of Notice, or if the Lessor has previously provided Notice of not meeting the Standard on two or more previous dates.
- 5. Notice Addresses. Unless and until Lessor notifies Lessee of a change in address, all notices to Lessor under the Lease shall be sent to the address set forth in the introductory paragraph of this Second Amendment. Unless and until Lessee notifies Lessor of a change in address, all notices to Lessee under the Lease shall be sent to the address set forth in the introductory paragraph of this Second Amendment.
- 6. Ratification. Except as amended hereby, the terms and conditions of the Lease shall remain unaffected. From and after the Second Amendment Date, all references to the Lease shall mean the Lease as amended hereby. Additionally, Lessee and Assignor each confirm and ratify that, as of the Second Amendment Date and to its actual knowledge, (a) the Lease is and remains in good standing and in full force and effect, and (b) neither party has any claims, counterclaims, set-offs, or

defenses against the other party arising out of the Lease or the Premises or in any way relating thereto.

7. Miscellaneous. This Second Amendment shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of Lessor and Lessee hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California without regard to the laws governing conflicts of laws. If any term of this Second Amendment or the application thereof to any person or circumstances shall be invalid and unenforceable, the remaining provisions of this Second Amendment, the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected. This Second Amendment is binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. Each party has cooperated in the drafting and preparation of this Second Amendment and, therefore, in any construction to be made of this Second Amendment, the same shall not be construed against any party. In the event of litigation relating to this Second Amendment, the prevailing party shall be entitled to reimbursement from the non-prevailing party of its reasonable attorneys' fees and costs. This Second Amendment constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions, and may not be amended, waived, discharged, or terminated except by a written instrument signed by Lessor and Lessee. A facsimile, PDF, or other electronic signature on this Second Amendment shall be equivalent to, and have the same force and effect as, an original signature. This Second Amendment may be executed in counterparts which, taken together, shall constitute a single instrument.

EXECUTED as of the date first set forth above.

LESSOR: TRUCKEE TAHOE AIRPORT DISTRICT

By: Name: Title:

ASSIGNOR: CLEARCAPITAL.COM By: Name: Title:

LESSEE: TRUCKEE RIVER VENTURES, INC. DBA LIFT TRUCKEE By: Name: Title: