

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

DEPARTMENT: AIRPORT

AGENDA DATE: February 8, 2011

CONTACT PERSON NAME AND PHONE NUMBER: Monica Lombraña/780-4724

DISTRICT(S) AFFECTED: All

**SUBJECT:**

**APPROVE a resolution / ordinance / lease to do what? OR AUTHORIZE the City Manager to do what? Be descriptive of what we want Council to approve. Include \$ amount if applicable.**

This is a Resolution to allow that the City Manager be authorized to sign a First Amendment to the Air Cargo Center Agreement by and between the City of El Paso and DHL Express (USA), Inc. to allow an Option to extend the existing Lease at the existing monthly rental of \$7,711.33 for six months for the facility located at 301 George Perry Blvd., Suite G, El Paso, Texas effective November 1, 2010.

**BACKGROUND / DISCUSSION:**

**Discussion of the what, why, where, when, and how to enable Council to have reasonably complete description of the contemplated action. This should include attachment of bid tabulation, or ordinance or resolution if appropriate. What are the benefits to the City of this action? What are the citizen concerns?**

DHL Express (USA), Inc. ("DHL") has been an EPIA tenant since 2000 after signing the Air Cargo Center Agreement with the City of El Paso for space at the then new Air Cargo facility effective August 1, 2000 through October 31, 2005 with one five (5) year Option effective through October 31, 2010. DHL is now requesting a First Amendment to the Lease thereby extending the existing Lease for six (6) additional months. DHL is in the process of consolidating its city wide stations into one facility and needs this extra time to review future air cargo needs and negotiate either a 3 or 5 year EPIA lease with option.

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

No

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

N/A Revenue generating.

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**BOARD / COMMISSION ACTION: N/A**

Enter appropriate comments or N/A

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**DEPARTMENT HEAD:**



(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

*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 be authorized to sign a First Amendment to the Air Cargo Center Agreement by and between the City of El Paso and DHL Express (USA), Inc. to allow an option to extend the lease at 301 George Perry Blvd., Suite G, El Paso, Texas, for an additional six (6) months.

APPROVED the \_\_\_\_\_ day of \_\_\_\_\_ 2011.

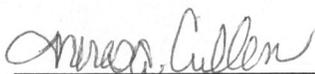
### CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

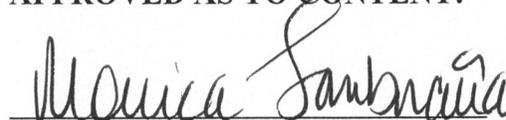
### ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

### APPROVED AS TO FORM:

  
\_\_\_\_\_  
Theresa Cullen  
Deputy City Attorney

### APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Monica Lombraña, A.A.E.  
Director of Aviation

STATE OF TEXAS            )  
  )  
COUNTY OF EL PASO        )

**FIRST AMENDMENT TO  
AIR CARGO CENTER AGREEMENT**

This First Amendment to the Air Cargo Center Agreement by and between the City of El Paso, a municipal corporation existing under the laws of the State of Texas, (“Lessor”) and DHL Express (USA), Inc., a corporation organized and existing under the laws of the State of Ohio, (“Lessee”) is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 2011.

**WHEREAS**, Lessor entered into an Air Cargo Center Agreement with ABX Air, Inc., with an effective date of August 1, 2000 (“Agreement”), for the following described leased premises located at 301 George Perry Blvd., El Paso, Texas (the “Premises”):

- A. That certain office and warehouse space containing 6,292 square feet, more or less, in the Air Cargo Center, 301 George Perry Blvd., Suite G, for Lessee’s exclusive use;
- B. The exclusive right to use the loading dock and 2600 square feet, more or less, of vehicle parking space directly in front of the Air Cargo Center;
- C. The non-exclusive right to use 53,360 square feet, more or less, of the aircraft parking apron and ground service equipment parking apron directly behind said Air Cargo Center; and
- D. The non-exclusive right to use a portion of the vehicle parking area, and the roadway, located in front of and adjacent to the Air Cargo Center, such portion to be commensurate with Lessee’s share of warehouse and office space as to that leased to the tenants that share common use of this vehicle parking area;

**WHEREAS**, on September 2, 2003, the Lessor and ABX Air, Inc. executed a Lessor’s Approval of Assignment of the Agreement from ABX Air, Inc. to Airbone Express, Inc.;

**WHEREAS**, effective January 1, 2005, Airbone Express, Inc. was merged into DHL Express (USA), Inc. (“Lessee”);

**WHEREAS**, Lessee has exercised all options under the Agreement, and Lessor and Lessee would like to extend the term of the Agreement for an additional six (6) months;

**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. Article IV, Term of Leasehold, is amended to add *a new second paragraph which reflects adding* an additional option to extend the Lease under Section 4.02 as follows:

**Section 4.02 Option to Extend**  
(second paragraph)

In the event that Lessee is not in default of any terms of this Lease during the Option Period, Lessee shall have the option to extend the Lease for one (1) additional term of six (6) months ("Second Option Period"). Lessor and Lessee acknowledge that Lessee is exercising the Second Option Period by the complete execution of this Second Amendment, and the rental for the Second Option Period shall be as set forth in Article V.

2. Article V, Rentals, is amended to add a rental rate for the Second Option Period under Section 5.01 as follows:

The Rental for the Second Option Period shall be calculated upon the following annual rentals:

6,292 Sq. ft. of Office and Warehouse Space at \$8.25/sq.ft./annum = \$51,909.00/yr.

2,600 Sq. ft. of Vehicle Parking Space at \$0.726/sq.ft./annum = \$1,887.60/yr.

53,360 Sq. ft. of Aircraft Parking and Apron and Ground Service Equipment Parking  
Apron at \$0.726 sq.ft./annum = \$38,739.36/yr.

Therefore, the rental for the Second Option Period shall be \$46,267.98 for the period beginning November 1, 2010 and ending April 30, 2011.

3. Regardless of the date executed, the Effective Date of this First Amendment to the Air Cargo Center Agreement shall be November 1, 2010.
4. Except as expressly modified herein, all other terms and conditions of the Agreement and the First Amendment to the Agreement shall remain in full force and effect and shall remain as written.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]



ATTEST:

Raymond J. King

LESSEE:

DHL EXPRESS (USA), INC.

By: Robert J. Inglis  
Printed Name: Robert J. Inglis  
Title: Director Real Estate

ACKNOWLEDGMENT

STATE OF FLORIDA )  
 )  
COUNTY OF BROWARD )

This instrument was acknowledged before me on this 4<sup>th</sup> day of JANUARY 2010  
by Robert J. Inglis as DIRECTOR REAL ESTATE of DHL Express  
(USA), Inc. (Lessee).

Carol Park  
Notary Public, State of Florida

My Commission Expires:  
2/13/14

