CITY OF EL PASO, TEXAS
DEPARTMENT HEAD'S SUMMARY REQUEST FOR COUNCIL ACTION (RCA)

DEPARTMENT: Airport
AGENDA DATE: October 9, 2007
CONTACT PERSON/PHONE: Patrick T. Abeln, A.A.E.
DISTRICT(S) AFFECTED: 3

SUBJECT:
Resolution authorizing the City Manager to sign a First Amendment to the Air Cargo Agreement by and between the City of El Paso (Lessor) and BT Property, LLC (Lessee).

BACKGROUND / DISCUSSION:
BT Property, LLC, a subsidiary of UPS-SCS, has been a lessee at 301 George Perry Blvd. air cargo facility since April 2005 when Menlo Worldwide Forwarding, Inc. (fka Emery Air Freight Corporation) assigned its Air Cargo Center Agreement to Lessee. This firm is primarily a large shipment, over-the-road business.

In June 2006, changes in Lessee's operations eliminated the need for the 102,084sf aircraft ramp area in their leasehold. By this amendment, the 102,084sf of ramp @ $0.726/sf (equating to $74,112.98 per year) will be removed from the leased premises. This will result in an overall annual rental for the building, GSE and vehicular parking of $396,904.20.

BT Property, LLC requests an amendment to their respective Air Cargo lease to adjust the size of its ramp area.

PRIOR COUNCIL ACTION:
Has the Council previously considered this item or a closely related one? If so, when?
Yes. Amendment to Air Cargo Agreement for Integrated Airline Services approved by Council on July 5, 2006.

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. This is a revenue-generating lease.

BOARD / COMMISSION ACTION:
This First Amendment to Air Cargo Center Agreement was presented to the Airport Advisory Board on August 10, 2006 and was approved.

CITY CLERK DEPT.
07 OCT -1 AM 8:05

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

LEGAL: (if required) _____ **FINANCE:** (if required) _____

Raymond L. Telles, Assistant City Attorney

OTHER: Patrick T. Abeln, Director of Aviation _____

(Example: if RCA is initiated by Purchasing, client department should sign also)

Information copy to appropriate Deputy City Manager

APPROVED FOR AGENDA:

CITY MANAGER: _____ **DATE:** _____

CITY CLERK DEPT.
07OCT -1 AM 8:55

CITY CLERK DEPT.
07 OCT -1 AM 8:55

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 ("Lessor") and BT Property, LLC ("Lessee") to decrease the leased premises of the existing Air Cargo Center Agreement by 102,084 square feet of ramp area; and THAT the annual rent be adjusted accordingly.

APPROVED the _____ day of _____ 2007.

CITY OF EL PASO

_____
John F. Cook
Mayor

ATTEST:

_____
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

_____
Raymond L. Telles
Assistant City Attorney

APPROVED AS TO CONTENT:

_____
Patrick T. Abeln, A.A.E.
Director of Aviation

Doc. No.: 23617
Doc. Name: 1st Amendment - Air Cargo - BT Property
Doc. Author: RTEL

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 ("Lessor") and BT Property, LLC, a limited liability company organized and existing under the laws of the State of Delaware ("Lessee") is made and entered into this _____ day of _____, 2007.

WHEREAS, Lessor entered into an Air Cargo Center Agreement ("Agreement") with an effective date of September 1, 2000 ("Agreement"), between the Lessor and Emery Air Freight Corporation, which changed its name to Menlo Worldwide Forwarding, Inc., and subsequently assigned to Lessee, covering the following described leased premises:

A. That certain office and warehouse space containing 44,044 square feet, more or less, as shown in Exhibit A of the Agreement, and also known as Air Cargo Center, 301 George Perry Blvd., Suite A; El Paso, Texas; and

B. The exclusive right to use the loading dock and 18,200 square feet, more or less, of vehicle parking space directly in front of said Air Cargo Center as shown on Exhibit A of the Agreement; and

C. The preferential, non-exclusive right to use 130,084 square feet, more or less, of the aircraft parking apron and ground service equipment parking apron directly behind said Air Cargo Center as shown on Exhibit A of the Agreement; 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 said 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, as shown on Exhibit B of the Agreement;

CITY CLERK DEPT.
07OCT -1 AM 8:55

WHEREAS, Lessee has requested that the amount of leased premises enumerated within the Agreement be decreased by 102,084 square feet of ramp area and that the annual rent be adjusted accordingly; and

WHEREAS, Lessor's approval of Lessee's surrender of lease of the referenced ramp space is conditioned upon the increase in the amount of leased ramp space by United Parcel Service, Inc., via separate instrument;

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:

CITY CLERK DEPT.
07 OCT -1 AM 8:55

I. **Revised Provisions.** The following provisions of the Agreement shall be, and hereby are, amended as follows:

Section 1.01 **Description of Premises Demised.** Upon the Effective Date of this First Amendment to the Air Cargo Center Agreement, paragraph C. of Section 1.01 of the Agreement shall be amended to read as follows:

C. The preferential, non-exclusive right to use 28,000 square feet, more or less, of ground service equipment parking apron directly behind said Air Cargo Center, as noted on Attachment A of the First Amendment to the Air Cargo Center Agreement; and

Section 5.01 **Rental.** Upon the Effective Date of this First Amendment to the Air Cargo Center Agreement, the provisions of Section 5.01 of the Agreement referring to rental payments for Aircraft Parking and Apron and Ground Service Equipment Parking Apron shall be amended as noted below. Similarly, all other provisions of Section 5.01 and the Agreement referring to total rental amounts due shall be amended accordingly.

28,000 Sq. ft. of Apron and Ground Service Equipment Parking Apron at $0.726sq.ft./annum = $20,328.00/yr.

II. **Effective Date.** Subject to Article III below, and regardless of the date executed, the Effective Date of this First Amendment to the Air Cargo Center Agreement shall be November 1, 2007.

III. **Conditional Surrender.** Lessor's approval of Lessee's surrender of the referenced 102,084 sq. ft. of ramp area is conditioned upon Lessor's execution of an agreement with United Parcel Service, Inc., which would increase the ramp space utilized by United Parcel Service, Inc. This First Amendment to the Air Cargo Center Agreement shall not be effective unless and until the agreement increasing the amount of leased ramp area for United Parcel Service, Inc. becomes effective.

IV. **Ratification.** Except as expressly modified herein, all other terms and conditions of the Agreement shall remain in full force and effect and shall remain as written.

(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, this First Amendment to the Air Cargo Center Agreement has been approved by the parties hereto as of the dated first noted above.

LESSOR: CITY OF EL PASO

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:

Raymond L. Telles
Assistant City Attorney

APPROVED AS TO CONTENT:

Patrick T. Abeln, A. A. E.
Director of Aviation

ATTEST:

LESSEE: BT PROPERTY, LLC

By: David Baer
Printed Name: David Baer
Title: Vice President
9.25.07

ACKNOWLEDGMENT

STATE OF Georgia)
)
COUNTY OF Fulton)

This instrument was acknowledged before me on this 25th day of September 2007 by David Baer as Vice President of BT Property, LLC (Lessee).

Danielle Williams
Notary Public, State of Georgia

My Commission Expires:
08/21/2009

07 OCT -1 AM 8:55
CITY CLERK DEPT.

Doc. No.: 23617
Doc. Name: 1st Amendment – Air Cargo - BT Property
Doc. Author: RTEL

EL PASO INTERNATIONAL AIRPORT

BT Property, LLC

Air Cargo Facility - 301 George Perry

Exhibit

A

July, 2006

EL PASO INTERNATIONAL AIRPORT

BT Property, LLC

Air Cargo Facility - 301 George Perry

Exhibit B

July, 2006