

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

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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 United Parcel Service, Inc. (Lessee).

BACKGROUND / DISCUSSION:

United Parcel Service, Inc. ("UPS"), sister company to BT Property, also a cargo tenant in the same facility, has been a tenant at El Paso International since 1990 and a lessee at the air cargo facility located at 301 George Perry Blvd. since September 2000. UPS is primarily a small package by air business.

Different air freight delivery companies have different business models depending on size, type of parcels transported and customer needs. UPS previously had the need for a small ramp area but now requests to lease additional space to double the size of its ramp in order to accommodate another 757 which UPS has brought into the market. By this amendment, 47,940 sf of ramp @\$0.726/sf (equating to \$34,804.44 per year) will be added to the leased premises. This will result in an overall annual rent for the building, ramp, GSE and vehicular parking of \$97,450.98.

UPS requests an amendment to their respective Air Cargo lease to adjust the size of its ramp.

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?

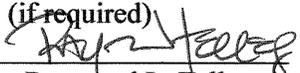
N/A. This is a revenue-generating lease.

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.

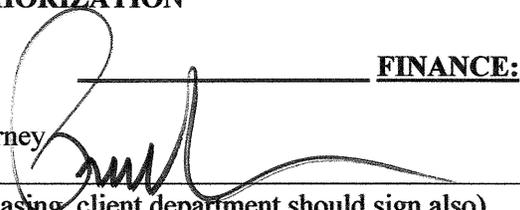
*****REQUIRED AUTHORIZATION*****

LEGAL: (if required)
required)



Raymond L. Telles, Assistant City Attorney

FINANCE: (if



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: _____

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RESOLUTION

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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 United Parcel Service, Inc. ("Lessee") to increase the amount of leased premises of the existing Air Cargo Center Agreement by an additional 47,940 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:

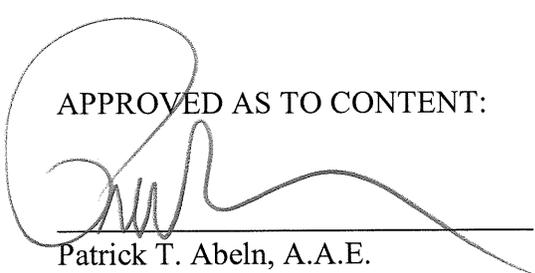
Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:



Raymond L. Telles
Assistant City Attorney

APPROVED AS TO CONTENT:



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

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 United Parcel Service, Inc., a corporation organized and existing under the laws of the State of Ohio ("Lessee") is made and entered into this ____ day of _____ 2007.

WHEREAS, Lessor entered into an Air Cargo Center Agreement with Lessee 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 3,146 square feet, more or less, in the Air Cargo Center noted in Exhibit A of the Agreement, and also known as Air Cargo Center, 301 George Perry Blvd., Suite D, for Lessee's exclusive use; and
- B. The exclusive right to use the loading dock and 1,300 square feet, more or less, of vehicle parking space directly in front of the Air Cargo Center, as noted in Exhibit A of the Agreement; and
- C. The non-exclusive right to use 49,240 square feet, more or less, of the aircraft parking apron and ground service equipment parking apron directly behind said Air Cargo Center, as noted in 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 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, as shown on Exhibit B of the Agreement;

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WHEREAS, Lessee has requested that the leased premises of the existing Agreement be increased by an additional 47,940 square feet of ramp area and that the annual rent be adjusted accordingly;

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:

- 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 non-exclusive right to use 97,180 square feet, more or less, of the aircraft parking apron and 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

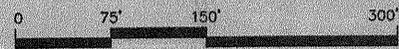
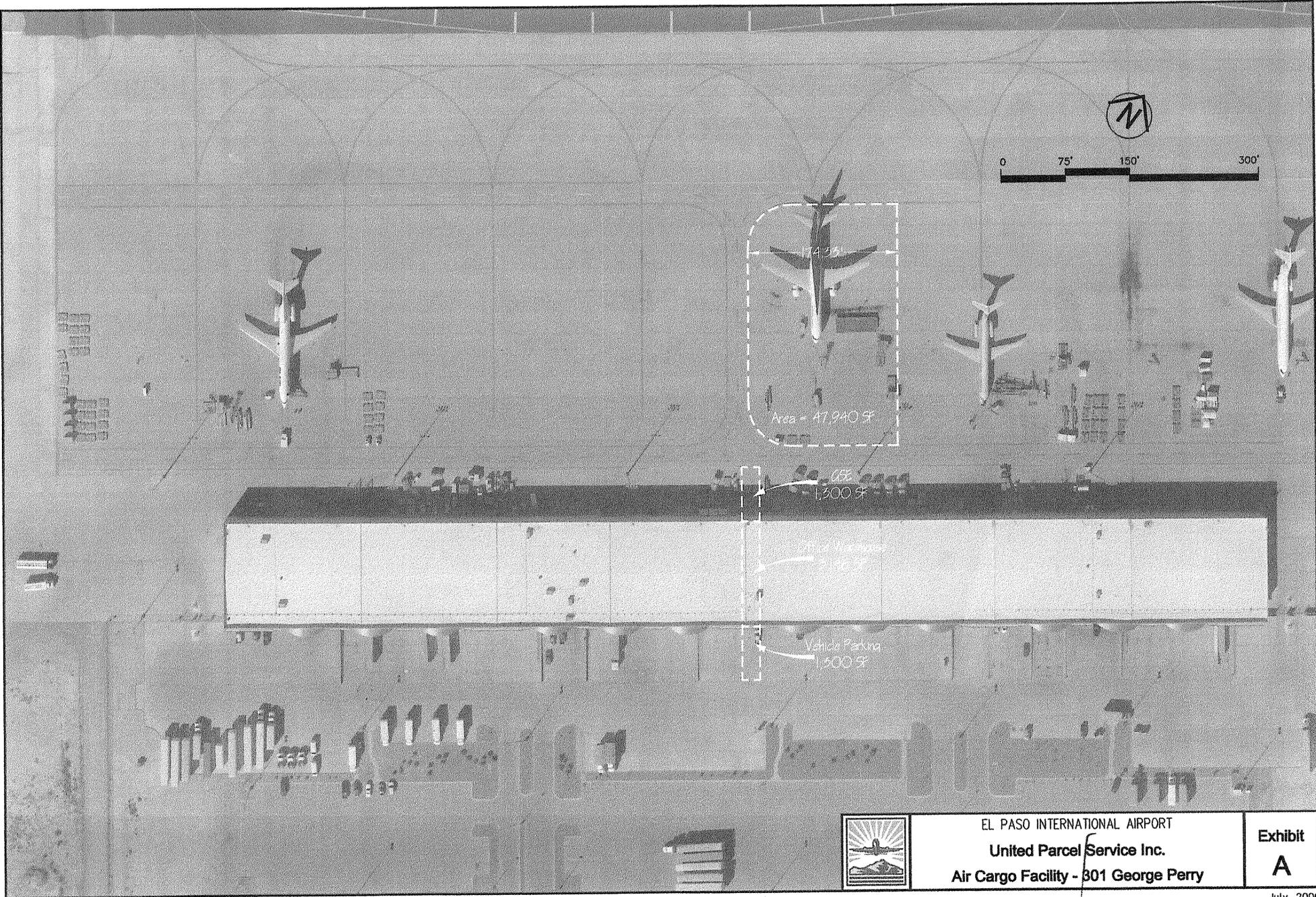
Section 5.01 Rental. Upon the Effective Date of this First Amendment to the Air Cargo Center Agreement, the provisions of Section 5.01 of the Agreement referring to rental payments for Aircraft Parking and Apron and Ground Service Equipment Parking Apron shall be amended to read as noted below. Similarly,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

97180 Sq. ft. of Aircraft Parking and Apron and Ground Service Equipment Parking Apron at \$0.726/sq.ft./annum = \$70,552.68/yr.

- II. **Effective Date.** Regardless of the date executed, the Effective Date of this First Amendment to the Air Cargo Center Agreement shall be November 1, 2007.
- III. **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)

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174,351

Area = 47,940 SF

Office Warehouse
2,100 SF

Vehicle Parking
1,500 SF



EL PASO INTERNATIONAL AIRPORT
United Parcel Service Inc.
Air Cargo Facility - 301 George Perry

Exhibit
A

July, 2006



EL PASO INTERNATIONAL AIRPORT
United Parcel Service Inc.
Air Cargo Facility - 301 George Perry

Exhibit
B