

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

DEPARTMENT: Aviation

AGENDA DATE: October 19, 2010

CONTACT PERSON/PHONE: Monica Lombraña, A.A.E. -780-4793

DISTRICT(S) AFFECTED: All

SUBJECT:

Authorize the City Manager to sign the Second Amendment to the Airline Operating Agreement and Terminal Building Lease by and between the City of El Paso and US Airways, Inc. (f/k/a America West Airlines, Inc.). This amendment extends the term of the agreement to August 31, 2011 and replaces Exhibits "A", "B-1", and "B-2".

BACKGROUND / DISCUSSION:

The City entered into an Airline Operating Agreement and Terminal Building Lease effective October 1, 2001 granting US Airways, Inc. the right to operate at El Paso International Airport (EPIA).

The Department of Aviation recommends extension based on the following:

- EPIA is currently working on new airline agreements.
- Airlines are in agreement with the extension.
- Facility use and airline space is balanced and meeting airline and community needs.

City Council previously approved similar amendments to the Airline Operating Agreement and Terminal Building Lease between the City and Delta Air Lines, Inc. (June 8, 2010), Continental Airlines (June 22, 2010), and Southwest Airlines Co. (July 20, 2010).

Amendments for remaining Airline Operating Agreements will be brought to City Council upon execution by respective airlines.

PRIOR COUNCIL ACTION:

- The Airline Operating and Terminal Building Lease between the City of El Paso and US Airways, Inc. was approved by City Council on September 18, 2001.
- The First Amendment to the Agreement was approved by City Council on September 25, 2007.

AMOUNT AND SOURCE OF FUNDING:

N/A - Revenue Generating

BOARD / COMMISSION ACTION:

N/A

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

DEPARTMENT HEAD:



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

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 the Second Amendment to the Airline Operating Agreement and Terminal Building Lease by and between the City of El Paso and US Airways, Inc. for the purpose of extending the term to August 31, 2011 and replacing Exhibits "A", "B-1", and "B-2".

ADOPTED this _____ day of _____ 2010.

THE CITY OF EL PASO

John F. Cook
Mayor

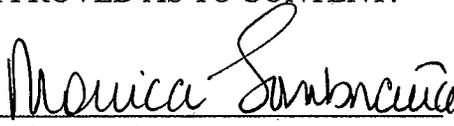
ATTEST:

Richarda Duffy Momsen
City Clerk

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



Monica Lombrafia, A.A.E.
Director of Aviation

STATE OF TEXAS)
)
COUNTY OF EL PASO) **SECOND AMENDMENT TO AIRLINE OPERATING
AGREEMENT AND TERMINAL BUILDING LEASE**

This Second Amendment to the Airline Operating Agreement and Terminal Building Lease is made by and between the City of El Paso ("City") and US Airways, Inc. ("Airline").

WHEREAS, the City entered into an Airline Operating Agreement and Terminal Building Lease ("Agreement") effective October 1, 2001 granting America West Airlines, Inc. the right to operate and maintain certain operations at the El Paso International Airport;

WHEREAS, in accordance with Section 12.05 of the Agreement and by letter dated August 27, 2007, America West Airlines, Inc. assigned the Agreement to the Airline in connection with America West Airlines, Inc.'s merger with Airline; and

WHEREAS, on September 25, 2007 the Agreement was amended by that First Amendment to extend the term to August 31, 2009; and

WHEREAS, the City and Airline now desire to amend the Agreement for the purpose of extending the term to August 31, 2011 and replacing Exhibits "A", "B-1", and "B-2",

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. **EXTENDED TERM.** The City and Airline mutually agree that the term of the Agreement is hereby extended through August 31, 2011.
2. **EFFECTIVE DATE.** Regardless of the date of execution, this Second Amendment shall be effective on September 1, 2009.
3. **EXHIBITS "A", "B-1", AND "B-2".** The City and Airline acknowledge that various changes to the Cost Centers, Terminal and location of the various airlines have occurred since the execution of the Agreement and the First Amendment. Accordingly, Exhibits "A", "B-1", and "B-2" of the Agreement shall be and are hereby replaced with Revised Exhibits "A", "B-1", and "B-2", as attached hereto and incorporated herein for all purposes.
4. **TERMS AND CONDITIONS.** All remaining terms and conditions of the Agreement and the First Amendment not specifically amended by this Second Amendment shall remain in full force and effect.

(SIGNATURES BEGIN ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, this amendment was executed on this _____ day of _____ 2010.

CITY OF EL PASO

Joyce A. Wilson
City Manager

APPROVED AS TO FORM:

Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:

Monica Lombraña

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

ACKNOWLEDGMENT

STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this _____ day of _____ 2010, by **Joyce A. Wilson as City Manager of the City of El Paso.**

Notary Public, State of Texas

My Commission Expires:

(SIGNATURES CONTINUE ON THE FOLLOWING PAGE)

IN WITNESS WHEREOF, this amendment was executed on this 3rd day of June 2010.

AIRLINE: US Airways, Inc.

By: [Signature]
Name: Michael Minerva
Title: Vice President Corporate Real Estate

ACKNOWLEDGMENT

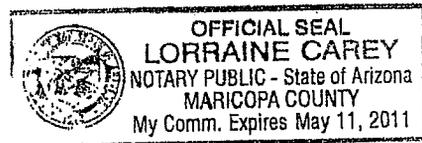
STATE OF Arizona
COUNTY OF Maricopa

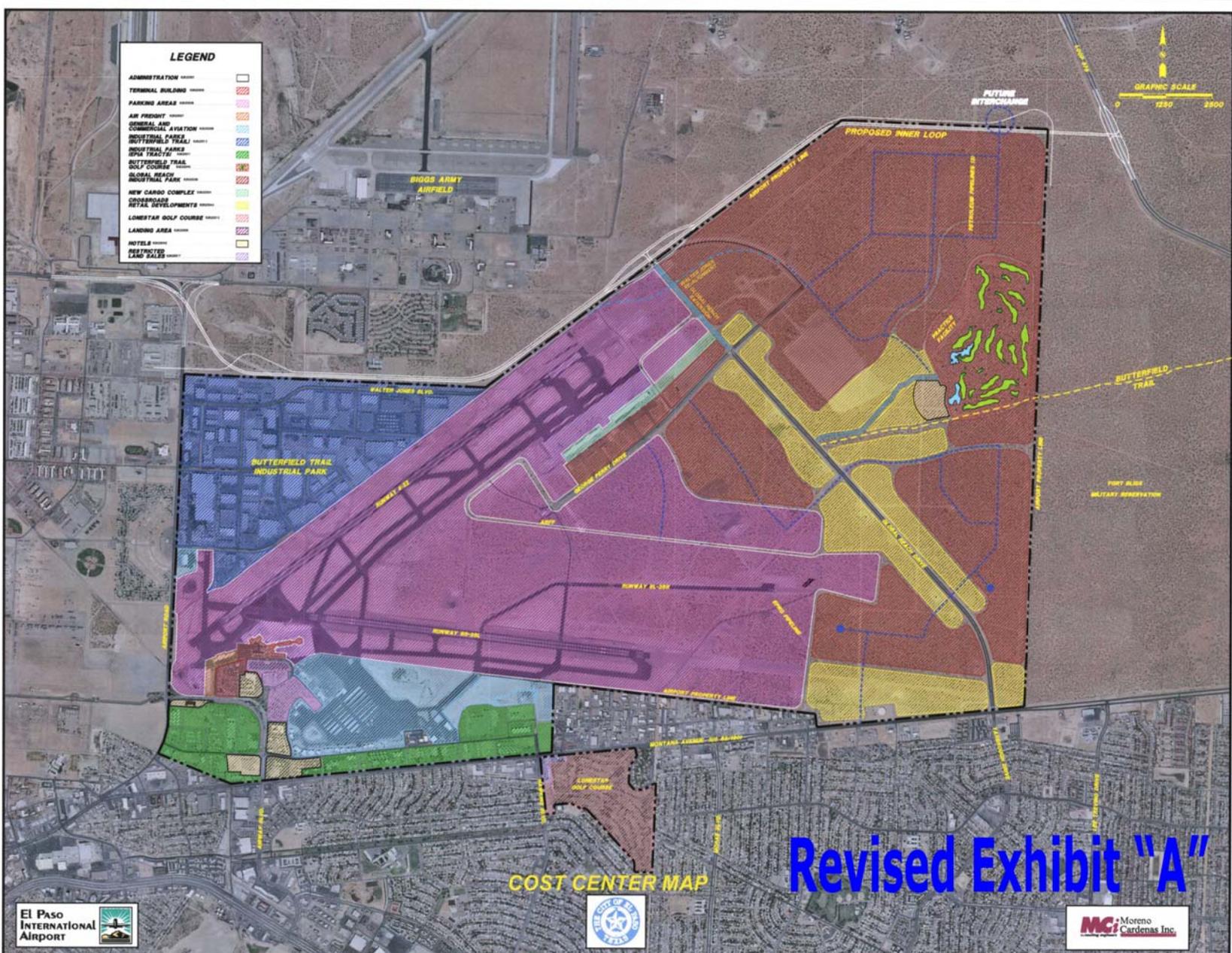
This instrument was acknowledged before me on this 3rd day of June 2010, by Michael Minerva as Vice President, CRE of US Airways, Inc.

[Signature]
Notary Public, State of Arizona

My Commission Expires:

May 11, 2011





LEGEND

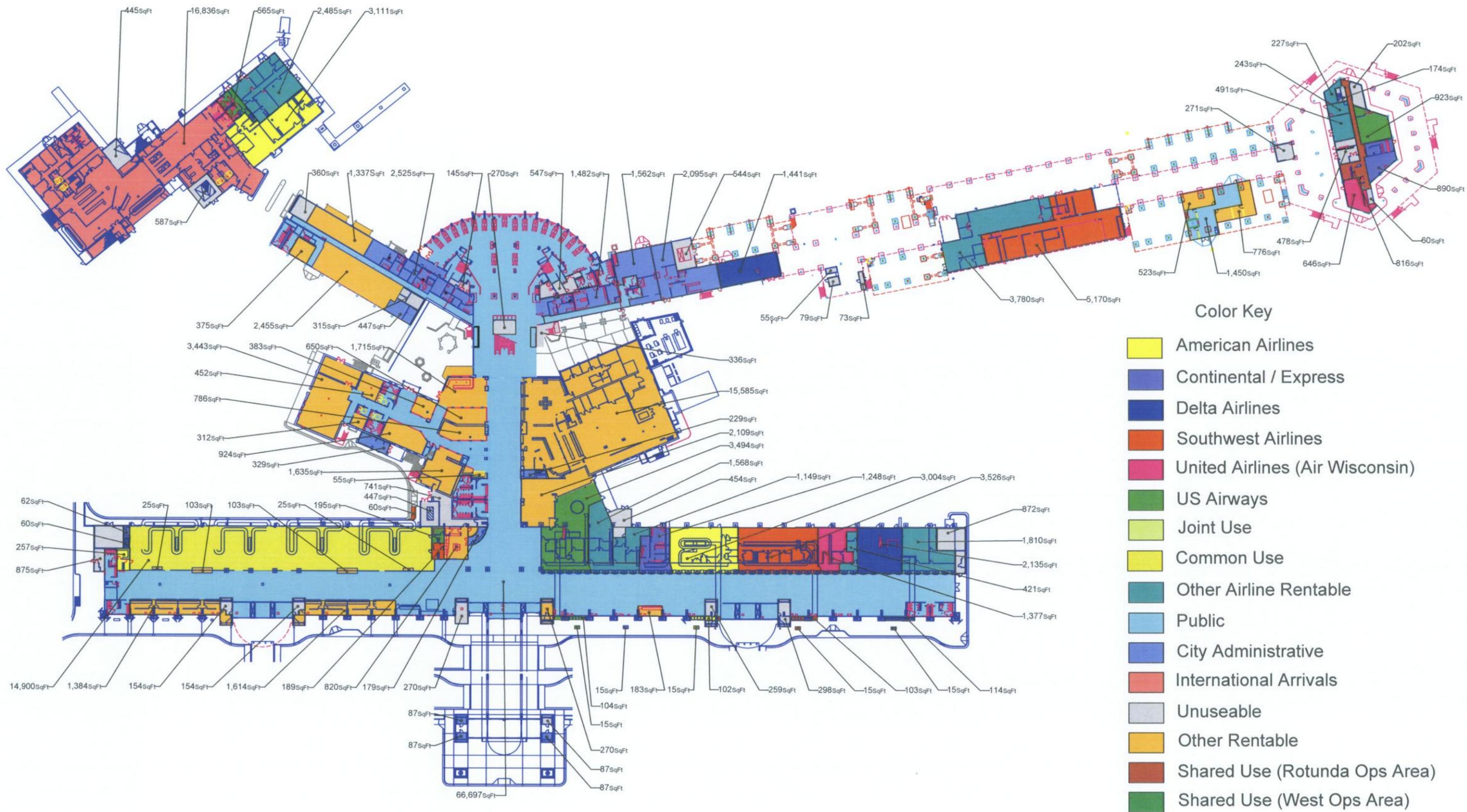
- ADMINISTRATION
- TERMINAL BUILDING
- PARKING AREAS
- AIR FREIGHT
- ORIGINAL AIR
- COMMERCIAL AVIATION
- INDUSTRIAL PARKS
- INDUSTRIAL PARKS
- SPIN TRACTS
- BUTTERFIELD TRAIL GOLF COURSE
- BIGGS ARMY AIRFIELD
- NEW GARGO COMPLEX
- CONDEMNATED
- RETAIL DEVELOPMENTS
- LOWESTAR GOLF COURSE
- LANDING AREA
- HOTELS
- RECREATION
- RESIDENTIAL



COST CENTER MAP

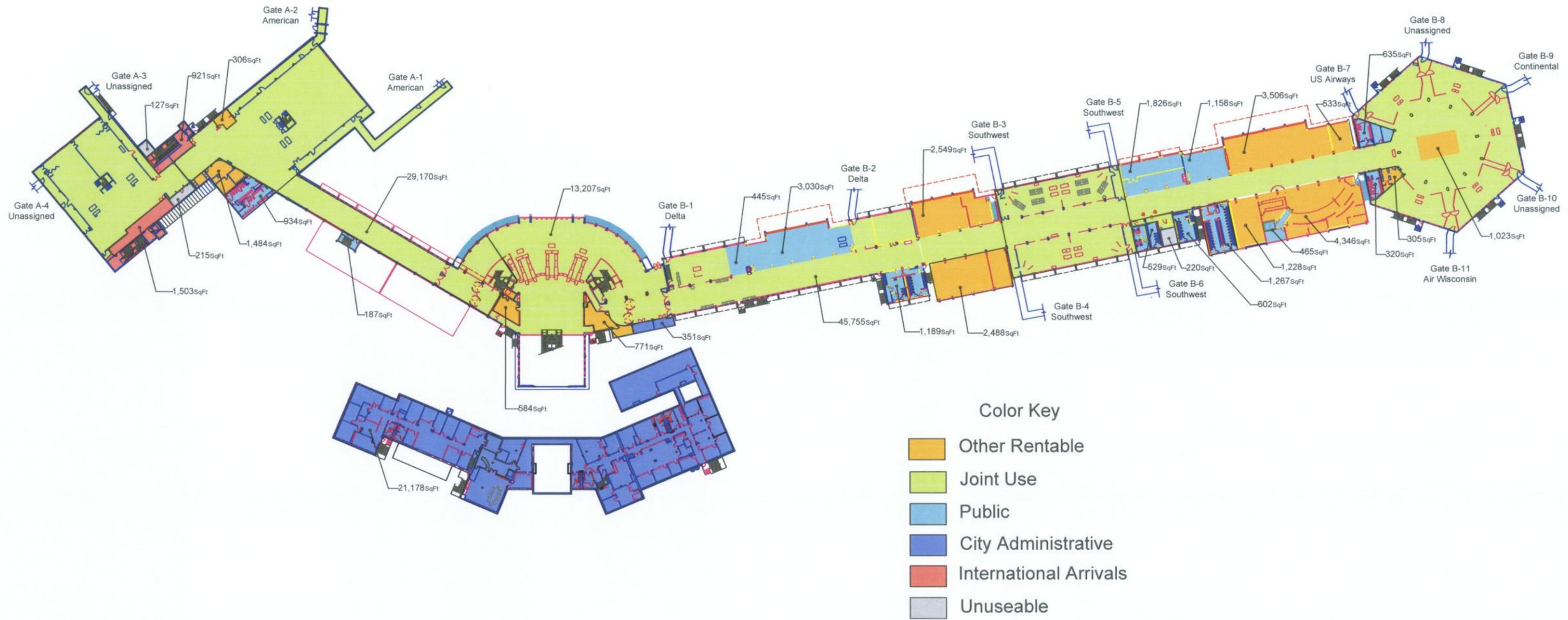
Revised Exhibit "A"





El Paso International Airport Airline Operating Agreement and Terminal Building Lease

Revised Exhibit B-1, drawing depicts terminal as of 02-01-2010 Level 1



El Paso International Airport Airline Operating Agreement and Terminal Building Lease

Revised Exhibit B-2, drawing depicts terminal as of 02-01-2010 Level 2