

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

DEPARTMENT: AIRPORT

AGENDA DATE: October 26, 2010

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 Second Amendment to the Air Cargo Center Agreement by and between the City of El Paso and United Parcel Service, Inc. to allow an option to extend the existing Lease for one (1) additional year for 301 George Perry Blvd., Suite D, El Paso, Texas effective November 1, 2010 at the existing total annual rental of \$97,450.98.

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?

United Parcel Service, Inc. ("UPS") has been an EPIA tenant since May 1990 under the then Aircraft Apron Use Agreement. Subsequently, UPS signed a new Air Cargo Center Agreement with the City of El Paso for space at the new Air Cargo facility effective August 1, 2000 through October 31, 2005 with one five (5) year Option effective through October 31, 2010.

UPS is now requesting a Second Amendment to the Lease thereby extending the existing Lease one additional year to provide ample time for review of future air cargo needs and negotiation of a new Lease.

PRIOR COUNCIL ACTION:

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

July 5, 2006 Council approval of a First Amendment to Air Cargo Center Agreement by the City of El Paso and Integrated Airline Services, Inc. providing 4 - one year renewal options.

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.

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 Second Amendment to the Air Cargo Center Agreement by and between the City of El Paso and United Parcel Service, Inc. to allow an option to extend the lease at 301 George Perry Blvd, Suite D, El Paso, Texas, for one (1) additional year.

APPROVED the _____ day of _____ 2010.

CITY OF EL PASO

John F. Cook
Mayor

ATTEST:

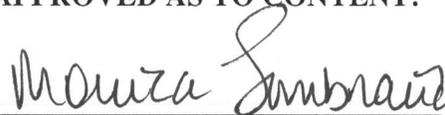
Richarda Duffy Momsen
City Clerk

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)

**SECOND AMENDMENT TO
AIR CARGO CENTER AGREEMENT**

This Second 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 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 _____ 2010.

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 an identified area of vehicle parking space directly in front of the Air Cargo Center; and
- C. The non-exclusive right to use an identified area 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 commensurated 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 Oct. 9, 2007, the Lessor and Lessee executed a First Amendment to the Agreement to increase the amount of leased premises in the identified ramp area;

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 one (1) year;

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 one (1) year ("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 annual rental for the Second Option Period shall be as set forth in Article V.

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

The Annual Rental for the Second Option Period shall be as follows for the period beginning November 1, 2010 and ending October 31, 2011:

3,146 Sq. ft. of Office and Warehouse Space at **\$8.25/sq.ft./annum** = **\$25,954.50/yr.**

1,300 Sq. ft. of Vehicle Parking Space at **\$0.726/sq.ft./annum** = **\$943.80/yr.**

97,180 Sq. ft. of Aircraft Parking and Apron and Ground Service Equipment Parking Apron at **\$0.726/sq.ft./annum**= **\$70,552.68/yr.**

Therefore, the annual rental for the Second Option Period shall be \$97,450.98 per year for the period beginning November 1, 2010 and ending October 31, 2011.

3. Regardless of the date executed, the Effective Date of this Second 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.

IN WITNESS WHEREOF, this Second 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

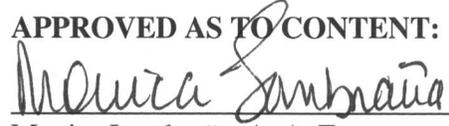
Joyce A. Wilson
City Manager

APPROVED AS TO FORM:



Theresa Cullen
Deputy City Attorney

APPROVED AS TO CONTENT:



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

ACKNOWLEDGMENT

THE 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 (Lessor).

Notary Public, State of Texas

My Commission Expires:

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]

ATTEST:

Kevin [Signature]

LESSEE:

UNITED PARCEL SERVICE, INC.

By: [Signature]
Printed Name: Mark McCloud
Title: V.P.

ACKNOWLEDGMENT

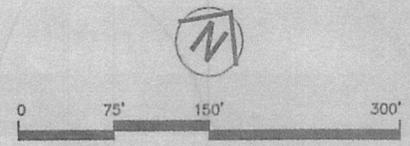
Kentucky
STATE OF ~~TEXAS~~)
Jefferson)
COUNTY OF ~~DENTON~~)

This instrument was acknowledged before me on this 17 day of September 2010
by Mark McCloud as Vice President of United Parcel
Service, Inc. (Lessee).

[Signature]
Notary Public, State of Kentucky

My Commission Expires:
July 28, 2011





174.55
Area - 47,940 SF
174.55
Area - 47,940 SF

GSE
1,200 SF
Office Warehouse
2,140 SF
Vehicle Parking
1,200 SF



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

Exhibit
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