

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

**DEPARTMENT:** Aviation

**AGENDA DATE:** September 1, 2020

**CONTACT PERSON NAME AND PHONE NUMBER:** Sam Rodriguez, (915) 212-7301

**DISTRICT(S) AFFECTED:** District 3

**CITY STRATEGIC GOAL 1:** Create an Environment Conducive to Strong, Sustainable Economic Development.

**SUBJECT:**

This is a Resolution to authorize the City Manager to sign a Second Amendment to the Air Cargo Center Agreement by and between the City of El Paso and United Parcel Service, Inc. for 301 George Perry Blvd., Suite E, El Paso, Texas, to delete the "as-needed 47,940 square feet" and to increase from 97,180 square feet to 222,000 square feet, on a permanent basis, the aircraft parking apron and the ground service equipment parking apron and to update and include mandated Federal Aviation Administration contract provisions.

The new rental fee for the entire premises (office, warehouse, vehicle parking and aircraft/GSE parking space) will be \$184,358.02 per year. This is an increase of \$90,619.32 per year.

**BACKGROUND / DISCUSSION:**

The Department of Aviation is requesting approval of this item to allow United Parcel Service, Inc. (UPS) to expand its operations at the El Paso International Airport (EPIA) by adding two additional permanent aircraft parking and ground service equipment (GSE) parking spots for its exclusive use. UPS will be adding ten (10) flights per week to its existing 21 flights per week to keep up with the demand for services in the El Paso service area. The additional ramp/ground service equipment parking space will help accommodate this increase in activity for UPS.

**Term:** Initial term of five (5) years with two (2) options of five (5) years each; tenant has exercised first option as of 9/1/2017; second option would begin on 9/1/2022, if exercised

**New Rental Fees:**

Office/warehouse	3,146 SF x \$7.07 per SF per year = \$22,242.22
Vehicle parking	1,300 SF x \$0.726 per SF per year = \$943.80
Cargo ground service equipment parking	222,000 SF x \$0.726 per SF per year = \$161,172.00
<b>Total Annual Rental Fees</b>	<b>\$184,358.02</b>

The amendment also updates the contract provisions that are required to be included in all airport leases, which became a requirement since the original lease was approved. All other terms and conditions of the lease will remain the same.

**PRIOR COUNCIL ACTION:**

8/21/2018 – First Amendment to Cargo Center Lease to add temporary ramp and GSE parking space use and fees  
8/28/2012 – Approval of Air Cargo Center Lease

**AMOUNT AND SOURCE OF FUNDING:**

N/A: This is a revenue generating item.

**BOARD / COMMISSION ACTION:**

N/A

**DEPARTMENT HEAD:**

  
\_\_\_\_\_  
Sam Rodriguez, P.E.  
Chief Operations & Transportation Officer/Director of Aviation

**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. for 301 George Perry Blvd., Suite E, El Paso, Texas, to delete the "as-needed 47,940 square feet" and to increase from 97,180 square feet to 222,000 square feet, on a permanent basis, the aircraft parking apron and the ground service equipment parking apron and to update and include mandated Federal Aviation Administration contract provisions.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2020.


**CITY OF EL PASO**

\_\_\_\_\_  
Dee Margo  
Mayor


**ATTEST:**

\_\_\_\_\_  
Laura D. Prine  
City Clerk

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Josette Flores  
Senior Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Samuel Rodriguez, P.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 (the "Second Amendment") is made and entered into this \_\_\_\_\_ day \_\_\_\_\_, 2020, by and between the City of El Paso, a municipal corporation existing under the laws of the State of Texas (the "Lessor"), and United Parcel Service, Inc., an Ohio corporation ("Lessee").

**WHEREAS**, on August 28, 2012, the Lessor and Lessee entered into an Air Cargo Center Agreement ("Lease") to lease office, warehouse and ramp space known as Air Cargo Center, 301 George Perry Blvd., Suite E, El Paso International Airport (the "Airport"), El Paso, Texas; and

**WHEREAS**, on August 21, 2018, the Lessor and Lessee entered into a First Amendment to Air Cargo Center Agreement ("First Amendment") to amend the address from Suite D to Suite E, to add ramp space to accommodate additional aircraft on an "as needed" basis, to adjust the corresponding rental amount for the "as needed" parking, and to amend Article XI, General Provisions to add subsection 11.19 FAA Order 1400.11; and

**WHEREAS**, Lessee will be increasing the number of its cargo flights at the Airport and will need permanent additional ramp space to accommodate additional aircraft,

**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 to amend the Lease as follows:

1. **Section 1.01, Description of Premises Demised**, Subsection C, of the Lease as amended by the First Amendment is amended in its entirety to read as follows:
  - C. The exclusive use of **222,000** 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-1";
  
2. **Section 5.01, Rental** of the Lease is amended to increase from 97,180 square feet to 222,000 square feet, approximately, for the aircraft parking apron and ground service equipment parking apron directly behind said Air Cargo Center as shown on Exhibit "A-1", to read as follows:

**Section 5.01, Rental**

222,000 Sq. Ft. of Aircraft Parking and Apron and Ground Service Equipment Parking Apron at:

$$222,000 \text{ SF} \times \$0.726 = \$161,172.00 \text{ per year or} \\ \$13,431.00 \text{ per month}$$

3. **Section 3 (5.01 Rental)** of the First Amendment referencing 47,940 square feet for “as-needed” space is hereby deleted in its entirety, as follows:

[Intentionally deleted]

4. **Article XI, General Provisions** of the Lease is amended to replace **Section 11.06, Non-Discrimination Covenant**, in its entirety to read as follows:

During the performance of this contract, the Lessee, for itself, its assignees, and successors in interest (for purposes of this Section 11.08 hereinafter referred to as the “Contractor”), agrees as follows:

1. **Compliance with Regulations:** The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Nondiscrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor’s obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Lessor (for purposes of this Section 11.08

hereinafter referred to as the “sponsor”) or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Contractor’s noncompliance with the non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
  - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
  - b. Cancelling, terminating, or suspending a contract, in whole or in part.

5. **Article XI, General Provisions** of the Lease is amended to include a new **Subsection 11.20, General Civil Rights Provision**, which shall read as follows:

**Section 11.20 General Civil Rights Provision**

Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If the Lessee transfers its obligation to another, the transferee is obligated in the same manner as the transferor.

This provision obligates the Lessee for the period during which the property is owned, used or possessed by the Lessee and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.


6. Exhibit A-1 from the First Amendment is amended in its entirety to appear as the Exhibit A-1 attached to this Second Amendment.
7. Except as herein amended, all other terms and conditions of the Lease and First Amendment not specifically modified by this Second Amendment shall remain unchanged and in full force and effect.
8. This Second Amendment shall be effective upon the date it is approved by the El Paso City Council.

**[SIGNATURES BEGIN ON THE FOLLOWING PAGE]**


**LESSOR: CITY OF EL PASO**

\_\_\_\_\_  
Tomás González  
City Manager

**APPROVED AS TO FORM:**

  
\_\_\_\_\_  
Josette Flores  
Senior Assistant City Attorney

**APPROVED AS TO CONTENT:**

  
\_\_\_\_\_  
Samuel Rodriguez, P. E.  
Director of Aviation

**ACKNOWLEDGMENT**

THE STATE OF TEXAS    )  
  )  
COUNTY OF EL PASO    )

This instrument was acknowledged before me on this \_\_\_\_\_ day of \_\_\_\_\_ 2020,  
by Tomás González, as City Manager of the City of El Paso (Lessor).

\_\_\_\_\_  
Notary Public, State of Texas

My Commission Expires:  
\_\_\_\_\_

[SIGNATURES CONTINUE ON THE FOLLOWING PAGE]



## Exhibit A-1 – Ramp Parking Space

