

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

**DEPARTMENT:** Aviation

**AGENDA DATE:** November 12, 2019

**CONTACT PERSON NAME AND PHONE NUMBER:** Monica Lombraña, (915) 212-7301

**DISTRICT(S) AFFECTED:** 2

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

**SUBJECT:**

Resolution to authorize the City Manager to sign a First Amendment to Air Cargo Center Agreement ("First Amendment") with an effective date of February 15, 2016, by and between the City of El Paso ("Landlord") and Science Applications International Corporation ("Tenant") to add the following described property:

Office and warehouse space containing approximately 6,100 square feet, more or less, in total, as shown on Exhibit "A-1" and Exhibit "B-1" to said First Amendment, known as the Air Cargo Center, 301 George Perry Blvd., Suite D, El Paso, El Paso County, Texas, together with portions of the loading dock and vehicle parking space, ground service equipment parking and the non-exclusive use of the roadway in front of and adjacent to the Air Cargo Center, all as set forth therein.

The First Amendment also identifies additional improvements to be constructed for the tenant.

The remaining term on the lease is two (2) years and three (3) months. The leasehold consists of 6,100 square feet of warehouse space at \$6.91, 3,900 square feet of ground service equipment parking space at \$0.726, and 2,550 square feet of vehicle parking space at \$0.726. The annual rental for the space will be \$46,853.83.

**BACKGROUND / DISCUSSION:**

The Department of Aviation is requesting approval of this amendment to allow SAIC to expand their operation into Suite D, which is adjacent to their current leasehold (Suite C) in the North Cargo Center at the El Paso International Airport. The Tenant requested the additional space to be able to support their new U.S. Air Force contract. This contract will require SAIC to go from the prototype phase to the limited production phase. The improvements to be constructed for the tenant consist of a rollup door and a man door that will connect the warehouse space of Suites C and D to allow for efficiencies in their operations. SAIC plans to use Suite D as the storage area for the \$17 million of materials that will be used to fulfill their contract with the Air Force.

**PRIOR COUNCIL ACTION:**

February 15, 2016 – Approval of Air Cargo Center Agreement (Suite C)

**AMOUNT AND SOURCE OF FUNDING:**

N/A: This is a revenue-generating item

**BOARD / COMMISSION ACTION:**

N/A

**DEPARTMENT HEAD:**

  
\_\_\_\_\_  
Monica Lombraña, A.A.E., Managing Director of Aviation and International Bridges

## RESOLUTION

**WHEREAS**, the City of El Paso (“Landlord”) and Science Applications International Corporation (“Tenant”) entered into an Air Cargo Center Agreement with an effective date of February 15, 2016, to lease office, warehouse and ground service equipment parking space located at Suite C of the Air Cargo Center, 301 George Perry, Blvd., El Paso, El Paso County, Texas; and

**WHEREAS**, the Tenant desires to lease additional warehouse and ground service equipment parking space, and other space located at Suite D of the Air Cargo Center;

**WHEREAS**, the City is willing to lease the referenced space to Tenant, and to offer Landlord’s Additional Improvements to Suite D.

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

1. That the City Manager be authorized to sign a First Amendment to Air Cargo Center Agreement (“First Amendment”) with an effective date of February 15, 2016, by and between the City of El Paso (“Landlord”) and Science Applications International Corporation (“Tenant”) to add the following described property:

That certain office and warehouse space containing approximately 6,100 square feet, more or less, in total, as shown on Exhibit “A-1” and Exhibit “B-1” to said First Amendment, known as the Air Cargo Center, 301 George Perry Blvd., Suite D, El Paso, El Paso County, Texas, together with portions of the loading dock and vehicle parking space, ground service equipment parking and the non-exclusive use of the roadway in front of and adjacent to the Air Cargo Center, all as set forth therein.

2. That the First Amendment shall identify Landlord Additional Improvements and the rental rates for Suite D.

*(Signature appear on following page)*

Dated this \_\_\_\_ day of \_\_\_\_\_, 2019.

**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:**

  
\_\_\_\_\_  
for: Monica Lombraña, A.A.E.  
Managing Director of Aviation and  
International Bridges



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**, of the Lease is amended to add the following to the Premises leased from Landlord:

I. Approximately 6,100 square feet of office and warehouse space in the Air Cargo Center, as shown on **Exhibit "A-1"**, attached hereto and incorporated herein by reference, for Tenant's exclusive use; and

J. Approximately 3,900 square feet of loading dock and vehicle parking space directly in front of the Air Cargo Center as shown on **Exhibit "A-1"**, attached hereto and incorporated herein by reference, for Tenant's exclusive use basis; and

K. Approximately 2,550 square feet of the ground service equipment parking space directly behind the Air Cargo Center as shown on "**Exhibit A-1**" on an exclusive use basis; and

L. The roadway, located in front of and adjacent to the Air Cargo Center, as shown on "**Exhibit B-1**" on a non-exclusive use basis;

all of which will hereinafter be referred to as the "Suite D Premises" and included in the reference to "Premises" or "Leased Premises".

2. **Section 2.04, Landlord Improvements**, of the Lease is amended to include an additional paragraph, which will identify Landlord Improvements for Suite D and will read as follows:

Upon execution of this First Lease Amendment, Landlord will provide, at its sole cost, certain improvements to the Premises as identified in **Exhibit "C-1"**, attached hereto and incorporated herein by this reference ("Landlord Additional Improvements"). Landlord shall substantially complete the Landlord Additional Improvements by 120 days after the issuance of a notice to the selected contractor ("Landlord Additional Improvements Deadline").

Notwithstanding any other provision of the Lease to the contrary, Tenant shall not be required to remove any of the Landlord Improvements at the expiration of the Initial Term and any extensions or renewals thereof.

3. **Section 5.01.1, Annual Rental for Suite D**, is added to the Lease to read as follows:

**Section 5.01.1, Annual Rental for Suite D**. In addition to paying rentals for the Suite C Premises, Tenant shall pay rentals for the Suite D Premises. For the purpose of

computing the rental payments, Landlord and Tenant agree that the Suite D Premises and the initial rental rates for the Suite D Premises shall be as follows:

6,100 sq. ft. of Office and Warehouse Space at \$6.51 per sq. ft. = \$39,711 per annum.

3,900 sq. ft. of Loading Dock Space at \$0.726 per sq. ft. = \$2,831.40 per annum.

2,550 sq. ft. of Ground Service Equipment Parking Space at \$ 0.726 per sq. ft. = \$1,851.30 per annum.

Therefore, the initial term Annual Rental for the Suite D Premises shall be \$44,393.70 beginning on the effective date of this First Amendment.

4. **Ratification**. Except as herein amended, all other terms and conditions of the Lease, not specifically modified by this Amendment shall remain unchanged and in full force and effect.

5. **Effective Date**. This Amendment shall be effective upon the date it is approved by the El Paso City Council.

(SIGNATURES BEGIN ON THE FOLLOWING PAGE)



ATTEST:

TENANT: Science Applications International Corporation

Name: \_\_\_\_\_

  
Name: Frederick R. Hazard

Title: Senior Vice President, Facilities Operations

ACKNOWLEDGMENT

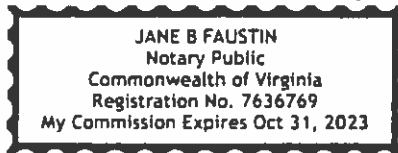
THE COMMONWEALTH OF VIRGINIA )

COUNTY OF FAIRFAX )

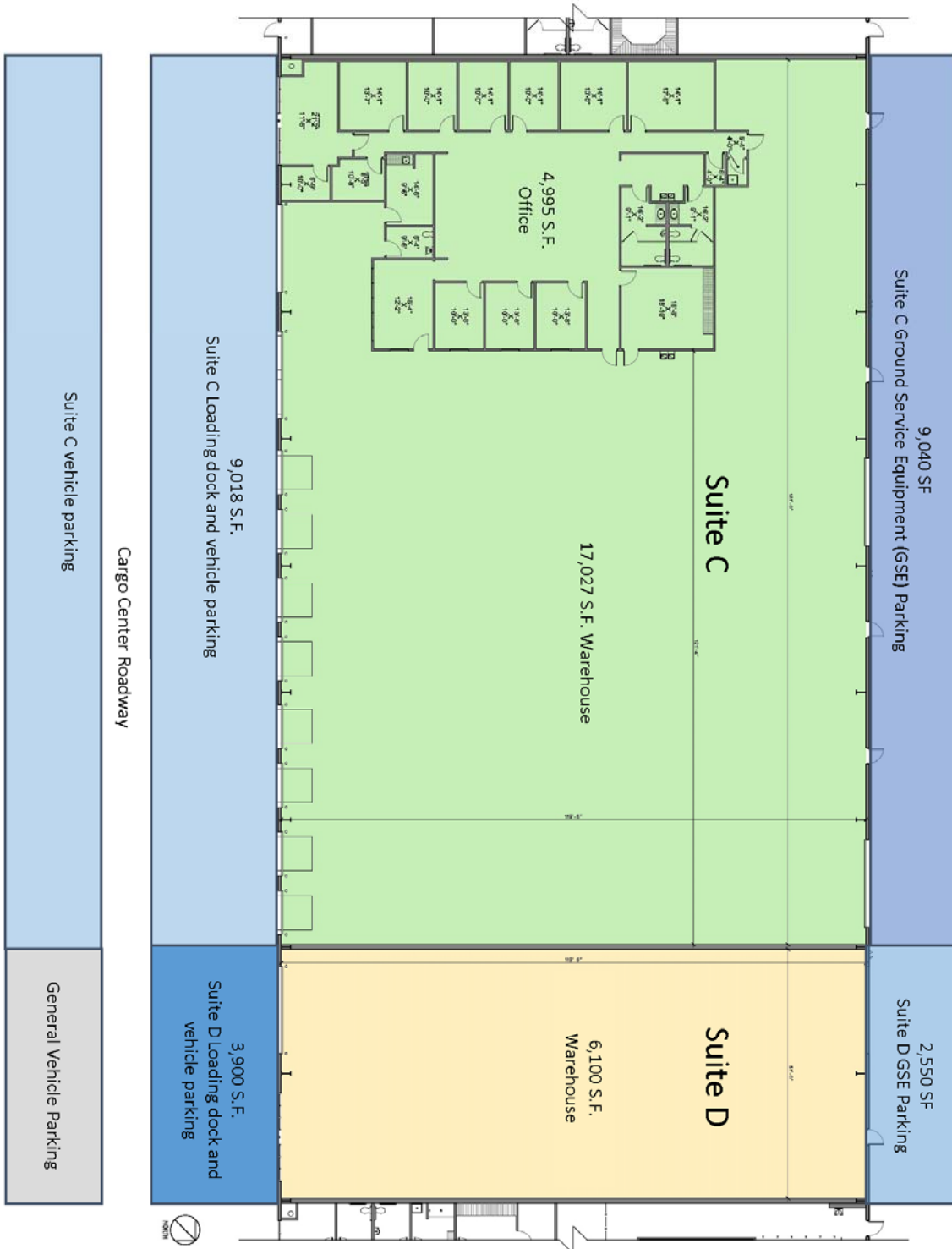
This instrument was acknowledged before me on this 5th day of November, 2019 by Frederick R. Hazard, as Senior Vice President, Facilities Operations, of **Science Applications International Corporation** (Tenant).

Jane B. Faustin  
Notary Public, State of Virginia

My Commission Expires:  
October 31, 2023



# Exhibit A-1 – Premises



**AIR CARGO FACILITY NO. 3**  
 301 GEORGE PERRY BLVD  
 EL PASO, TX 79925

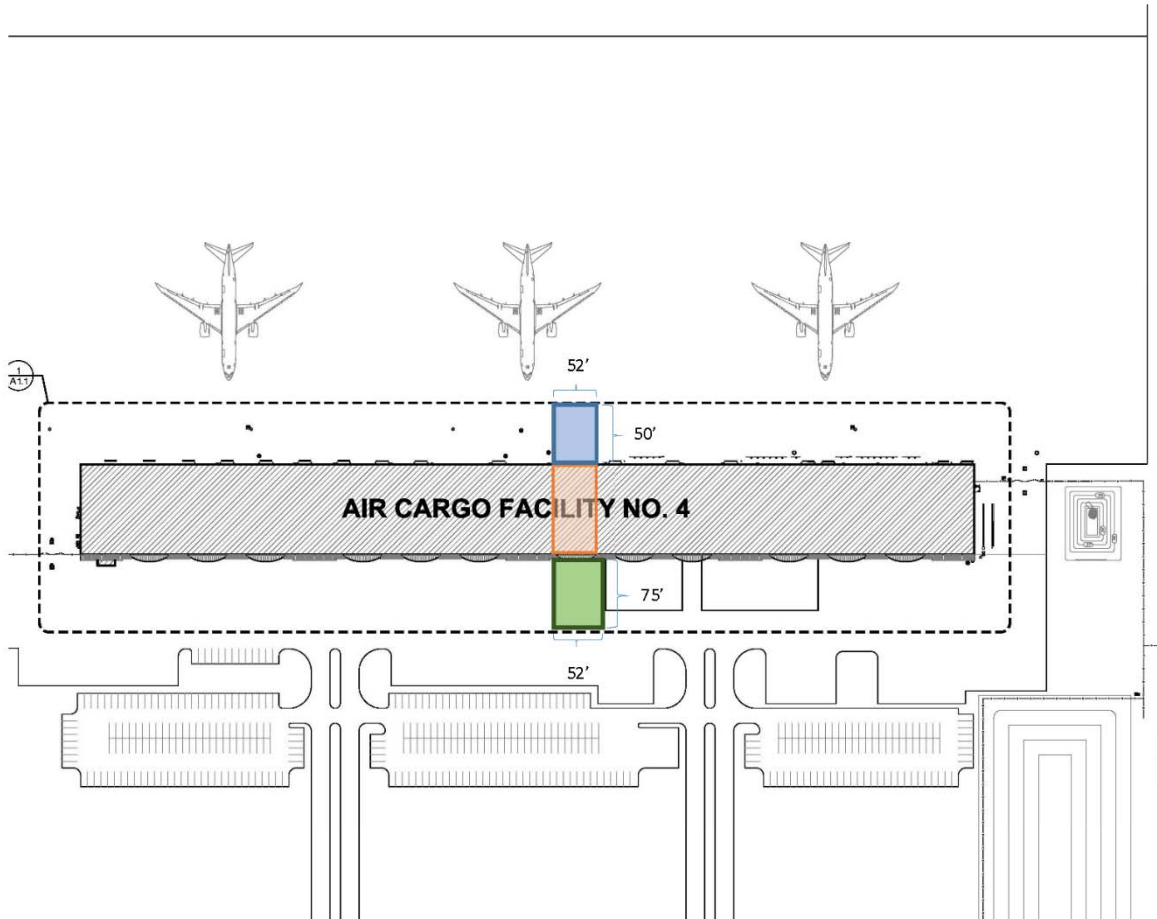
NOT ISSUED FOR CONSTRUCTION

NO.	DATE	REVISION

**A2.3**  
 ENLARGED ZONE "A" FLOOR PLAN

2016-38 - Cargo Building No. 3 - December 23, 2016

**Exhibit B-1**  
**Suite D Premises**  
**Loading Dock, Vehicle Parking and Apron Parking Space**



- Ground Service Equipment (GSE) Parking Space – 3,900 SF
- Loading Dock and Vehicle Parking Space – 2,550 SF
- Warehouse Space – 6,100 SF

**Exhibit C-1**  
**Suite D - Landlord Improvements - Scope of Work**

Science Applications International Corporation (SAIC) is proposing to expand the footprint of its operations at the El Paso International Airport (EPIA) into the suite adjacent (Suite D) to its current location at 301 George Perry Boulevard, Suite C. The following improvements are in place:

- Radiant heating units in the west half of the bay
- Lighting fixtures in the west half of the bay
- Electrical (110v) outlets along both walls that run landside to airside
- Thermostats

As SAIC has decided that it would like to make use of the above-mentioned improvements, EPIA will repair and bring to leasable condition the Suite D premises. The scope of work to be completed includes the following:

- Check and repair to bring existing improvements to working condition, the following equipment/systems:
  - Radiant heaters
  - Lighting fixtures
  - Electrical (110v) outlets
  - Thermostats
- Lessor will also construct the following improvements:
  - Install lighting fixtures in the east half of the bay to mirror already existing lighting fixtures
  - Install radiant heaters in the east half of the bay to mirror already existing heaters
  - Door access between Suite C and Suite D

EPIA staff estimate that this work will be completed in approximately one hundred twenty (120) days from the issuance of a notice for the selected contractor. The above listed improvements and repairs will be completed at the sole cost of EPIA.