

PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

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Meeting Date: June 29, 2010 Consent Regular

Workshop Public Hearing

Department:

Submitted By: Department of Airports

Submitted For:

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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: First Amendment to Air Cargo Building Lease and Operating Agreement (First Amendment) with United Parcel Service Co. (UPS) for the lease of 13,800 square feet of paved ground area at the Palm Beach International Airport (PBIA) for ground equipment storage, in the amount of \$8,970 per year.

Summary: On November 3, 2009, the Board approved the Air Cargo Building Lease and Operating Agreement (Agreement) (R2009-1875) with UPS for the lease of cargo space to UPS for office administration, shipping, receiving and sorting of parcels, freight and cargo. At that time, an expansion to the air cargo apron area was being constructed, which was to include an area for outside storage of ground support equipment (GSE). The Agreement contemplated a future amendment to provide for lease of a portion of the new apron area for storage of UPS' GSE. In addition to leasing apron area for storage of GSE, the First Amendment updates several provisions of the Agreement including the elimination of obsolete terms and the replacement of exhibits to accurately reflect the apron area upon completion of the new air cargo apron area. Countywide (HJF)

Background and Justification: The air cargo facility is a multiunit structure comprising approximately 40,000 square feet of interior cargo space. UPS and Federal Express Corporation (FedEx) both operate at the facility and utilize the new apron area on a per-use basis. The initial annual rental for the GSE Storage Area is \$0.65 per square foot. UPS began using the GSE Storage Area following completion of construction, and has paid rental since December 1, 2009. The First Amendment enables the Director of Airports to execute an amendment to the Agreement on behalf of the County, to increase or decrease the square footage of GSE Storage Area.

Attachments:

- 1. First Amendment (3)

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SB Recommended By: *Shawn Kelly* 5/29/10

Department Director Date

Approved By: *[Signature]* 6/15/10

County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
Operating Revenues	<u>(\$7,475)</u>	<u>(\$8,970)</u>	<u>(\$8,970)</u>	<u>(\$8,970)</u>	<u>(\$8,970)</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>(\$7,475)</u>	<u>(\$8,970)</u>	<u>(\$8,970)</u>	<u>(\$8,970)</u>	<u>(\$8,970)</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included in Current Budget? Yes X No _____
 Budget Account No: Fund 4100 Department 120 Unit 8450 RSource 4405
 Reporting Category _____

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The First Amendment providing for an increase in rental of \$8,970 per year. UPS has paid rental for the GSE Storage Area since December 1, 2009.

C. Departmental Fiscal Review: *C. M. Simon*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

N. Diaz 6/8/10
 OFMB 6/3/10 *2/13/10*

Dr. J. Andrews 6/9/10
 Contract Dev. and Control
E. Jones 6/9/10

B. Legal Sufficiency:

[Signature] 6/9/10
 Assistant County Attorney

This amendment complies with our review requirements.

C. Other Department Review:

 Department Director

**FIRST AMENDMENT TO
AIR CARGO BUILDING LEASE AND OPERATING AGREEMENT
PALM BEACH INTERNATIONAL AIRPORT**

THIS FIRST AMENDMENT TO AIR CARGO BUILDING LEASE AND OPERATING AGREEMENT (this "First Amendment") is made and entered into _____, by and between Palm Beach County, a political subdivision of the State of Florida ("County"), and United Parcel Service Co., a Delaware corporation, having an office and place of business at 1400 North Hurstbourne Parkway, Louisville, Kentucky, 40223 ("Tenant").

WITNESSETH:

WHEREAS, County and Tenant have entered that certain Air Cargo Building Lease and Operating Agreement dated November 3, 2009 (R2009-1875) (the "Lease"); and

WHEREAS, County and Tenant desire to amend the Lease to provide for Tenant's use of an area west of the Air Cargo Building for outside storage of Tenant's ground support equipment.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which the parties hereby expressly acknowledge, the parties hereto covenant and agree as follows:

1. Section 2.44 of the Lease is deleted in its entirety and replaced with the following:
 - 2.44 "Premises" means the Assigned Building Premises, the GSE Storage Area and the Licensed Areas.
2. Article 2 of the Lease is amended to add the following Section 2.57:
 - 2.57 "Ground Support Equipment Storage Area" or "GSE Storage Area" has the meaning set forth in Section 4.01(C).
3. Section 2.50 of the Lease is deleted in its entirety.
4. Section 4.02(E) of the Lease is deleted in its entirety.

5. Section 4.01(C) of the Lease is deleted in its entirety and replaced with the following:

C. Subject to the terms, conditions and covenants set forth herein, County hereby demises and leases to Tenant, and Tenant rents from County, a portion of the Aircraft Parking Apron area west of the Air Cargo Building containing approximately Thirteen Thousand Eight Hundred (13,800) square feet of paved ground area more particularly identified in the attached Exhibit "B", for the storage of Tenant's ground support equipment (collectively, the "Ground Support Equipment Storage Area" or "GSE Storage Area"). The square footage area of GSE Storage Area may be increased or decreased by amendment to this Lease, upon mutual agreement of the parties. The Director may execute an amendment to this Lease on behalf of County pursuant to this paragraph.

6. Section 5.01 of the Lease is deleted in its entirety and replaced with the following:

5.01 Annual Rental.

A. Commencing on the Effective Date, Tenant shall pay to County for use of the Assigned Building Premises an initial annual rental in the amount of Eleven Dollars and Fifty Cents (\$11.50) per square foot for approximately Six Thousand (6,000) square feet or Sixty-Nine Thousand and 00/100 Dollars (\$69,000.00) annually, plus any applicable taxes.

B. Commencing on December 1, 2009, Tenant shall pay to County for use of the GSE Storage Area an initial annual rental in the amount of Sixty-Five Cents (\$0.65) per square foot for approximately Thirteen Thousand Eight Hundred (13,800) square feet or Eight Thousand Nine Hundred Seventy Dollars (\$8,970.00) annually, plus any applicable taxes.

7. Exhibit "A" to the Lease is deleted in its entirety and replaced with Exhibit "A" attached hereto.

8. Exhibit "B" to the Lease is deleted in its entirety and replaced with Exhibit "B" attached hereto.

9. Except as specifically modified herein, all of the terms and conditions of the Lease shall remain unmodified and in full force and effect and are hereby ratified and confirmed by the parties hereto.

(Remainder of page left blank intentionally)

IN WITNESS WHEREOF, County has caused this First Amendment to be signed by the Chair of the Board of County Commissioners and the seal of the Board to be affixed hereto and attested by the Clerk of the Board, pursuant to the authority granted by the Board, and Tenant, United Parcel Service Co., a Delaware corporation has caused these presents to be signed in its lawful name by its duly authorized officers.

ATTEST:

SHARON R. BOCK,
CLERK AND COMPTROLLER

By: _____
Deputy Clerk

PALM BEACH COUNTY,
A POLITICAL SUBDIVISION OF THE
STATE OF FLORIDA, BY ITS BOARD
OF COUNTY COMMISSIONERS

By: _____
Burt Aaronson, Chair

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

By: _____
County Attorney

APPROVED AS TO TERMS
AND CONDITIONS

By: [Signature]
Director, Department of Airports

Signed, sealed and delivered in the
presence of two witnesses for TENANT:

[Signature]
Signature
THOMAS P. FOOTE
Print Name

[Signature]
Signature
Kevin Hoffman
Print Name

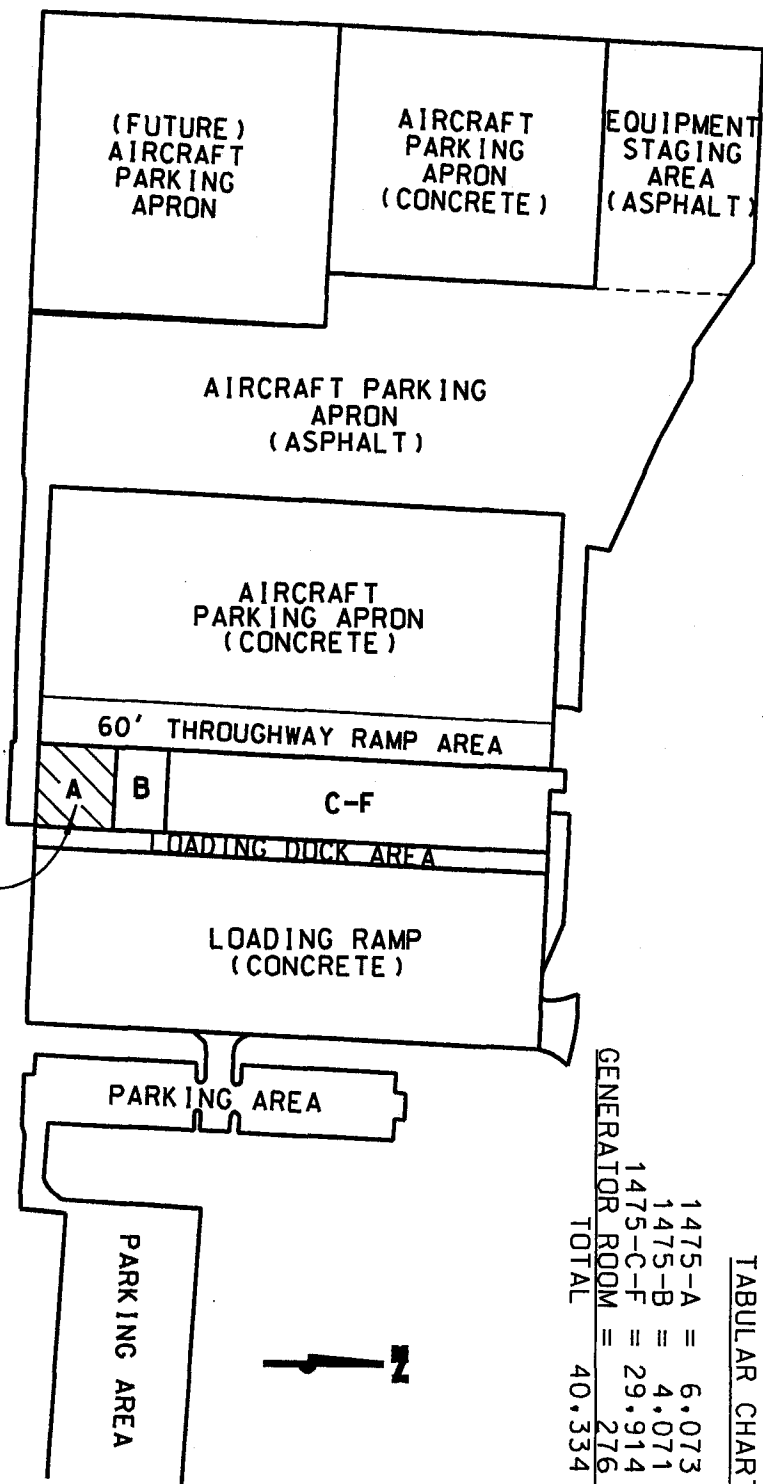
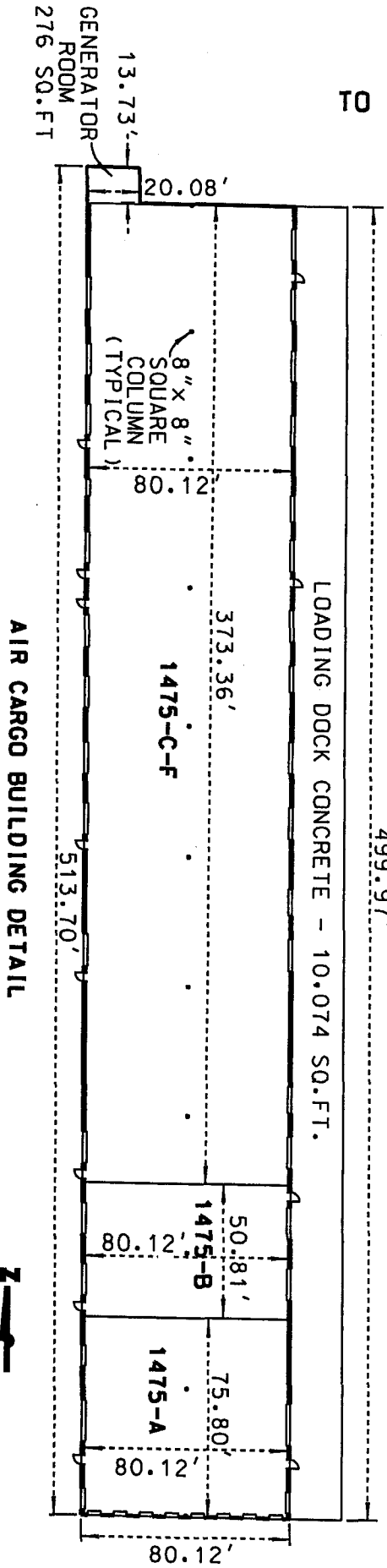
UNITED PARCEL SERVICE CO.,
a Delaware Corporation

By: [Signature]
Signature
MARK McLeod
Print Name
VP
Title

(Seal)

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EXHIBIT "A"
TO AIR CARGO BUILDING LEASE AGREEMENT



"ASSIGNED BUILDING PREMISES"

TABULAR CHART

1475-A =	6.073	SQ.FT.
1475-B =	4.071	SQ.FT.
1475-C-F =	29.914	SQ.FT.
GENERATOR ROOM =	276	SQ.FT.
TOTAL	40.334	SQ.FT.



EXHIBIT "B"
TO AIR CARGO BUILDING LEASE AGREEMENT

