



# Council Communication

Office of the City Manager

Date

March 26, 2007

Agenda Item No. 44B  
Roll Call No. 07-  
Communication No. 07-178  
Submitted by: Craig Smith, A.A.E.  
Aviation Director

## AGENDA HEADING:

Public Hearing on Second Amendment to current Lease Agreement with United Parcel Service, Inc. (UPS) for property at the Des Moines International Airport located at 3251 Army Post Road

## SYNOPSIS:

UPS currently has three facility lease agreements for Airport property and a long-term land lease agreement for the construction of a new sort and distribution facility. In conjunction with the recent approval to extend the completion date for the sort and distribution facility to December 31, 2014, UPS is requesting extensions of the facility lease agreement for 3251 Army Post Road so that it can continue leasing its existing airport facilities until the new on-airport sort and distribution facility is completed.

## FISCAL IMPACT:

Amount: Currently, the lease agreement generates \$122,400 in revenue annually for the City.

Funding Source: Airport Tenant - UPS

## ADDITIONAL INFORMATION:

The amendment to the Lease Agreement for 3251 Army Post Road extends the term of the Agreement and obligates UPS to continue lease payments until December 31, 2014. The rate is adjusted periodically to reflect changes in the Consumer Price Index.

The Amendment also addresses certain maintenance obligations.

## PREVIOUS COUNCIL ACTION(S):

Date: March 12, 2007

Roll Call Number: 07-457

Action: On Amendments to Lease Agreements with United Parcel Service Inc., for the following, (3-26-07): [Second](#) Amendment, 3251 Army Post Road. Moved by Mahaffey to adopt. Motion Carried 6-1.

Date: December 8, 2003

Roll Call Number: 03-2787

Action: First Amendment to the 3251 "OLD" Army Post Road Lease. Moved by Hensley to adopt. Motion Carried 6-1.

Date: September 28, 1992

Roll Call Number: 92-3793

Action: Approval of Lease Agreement with United Parcel Service Inc. for property located at 2601 Army Post Road.

**ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE**