

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



DEPARTMENT: El Paso International Airport

AGENDA DATE: 8/19/25

PUBLIC HEARING DATE: 8/19/25

CONTACT PERSON NAME: Tony Nevarez

PHONE NUMBER: (915) 212-7301

2nd CONTACT PERSON NAME: Omar De La Rosa

PHONE NUMBER: (915) 212-7239

DISTRICT(S) AFFECTED: District 3

STRATEGIC GOAL:

No. 1 - Create an Environment Conducive to Strong sustainable Economic Development

SUBGOAL:

1.4 Grow the core business of air transportation

SUBJECT:

That the City Manager, or designee, is authorized to sign a Second Amendment to the Ground Lease Agreement by and between the City of El Paso, Texas, a municipal corporation existing under the laws of the State of Texas (the "Lessor"), and ELP Land Holdings I, LLC, a Delaware Limited Liability Company ("Lessee") to change the amount and timing of rent payments in Section 3.02 Commencement of Rent and Time of Payment, the title and language in Section 5.04 Certificate of Completion Deadlines, update the language in Section 10.06 Termination under Phased Development Lease to account for delays in the entitlement and utility phases of development, and update the Exhibits to reflect the changes made to the Agreement.

BACKGROUND / DISCUSSION:

This item seeks approval of a Second Amendment to the Ground Lease Agreement between the City of El Paso and ELP Land Holdings I, LLC. The original agreement included construction completion timelines intended to ensure that the tenant progressed in alignment with the development of the project. The tenant has been actively pursuing construction permit approvals; however, delays in the approval of entitlements, utility coordination, and the construction of airport improvements have prevented the developer from meeting the original deadlines. As a result, the tenant is requesting an amendment to the agreement to account for these delays and allow the project to move forward. If successful, this project is expected to generate non-aeronautical revenue for the airport in the amount of \$1,730,639.63. This revenue is essential to maintaining the airport's self-sustaining operations, meaning no taxpayer funding is required. Non-aeronautical revenue plays a critical role in the financial resilience and future growth of airports. It not only helps sustain operations during periods of reduced travel—such as the COVID-19 pandemic—but also enables the airport to keep airline costs low, which supports efforts to attract more direct flights to the region

COMMUNITY AND STAKEHOLDER OUTREACH:

N/A

PRIOR COUNCIL ACTION:

March 28, 2023 - City Council approval of Ground Lease Agreement
November 7, 2023 - City Council approval of First Amendment to Ground Lease Agreement

AMOUNT AND SOURCE OF FUNDING:

N/A

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

Form provided by tenant. No contributions made by tenant.

NAME	AMOUNT (\$)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD:

Juan Antonio Nevarez
Digitally signed by Juan Antonio Nevarez
Date: 2025.08.04 09:16:18 -06'00'

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

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

That the City Manager, or designee, is authorized to sign a Second Amendment to the Ground Lease Agreement by and between the City of El Paso, Texas, a municipal corporation existing under the laws of the State of Texas (the “Lessor”), and ELP Land Holdings I, LLC, a Delaware Limited Liability Company (“Lessee”) to change the amount and timing of rent payments in Section 3.02 Commencement of Rent and Time of Payment, the title and language in Section 5.04 Certificate of Completion Deadlines, update the language in Section 10.06 Termination under Phased Development Lease to account for delays in the entitlement and utility phases of development, and update the Exhibits to reflect the changes made to the Agreement.

APPROVED this _____ day of _____ 2025.

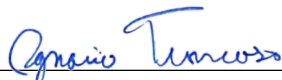
CITY OF EL PASO

Renard U. Johnson
Mayor


ATTEST:

Laura D. Prine, City Clerk

APPROVED AS TO FORM


Ignacio Troncoso
Assistant City Attorney

APPROVED AS TO CONTENT:


Juan Antonio Nevarez, CM, ACE, IACE
Director of Aviation

STATE OF TEXAS) SECOND AMENDMENT TO GROUND

) LEASE AGREEMENT

COUNTY OF EL PASO)

This Second Amendment to Ground Lease Agreement (the “**Amendment**”) is made and entered into this ____ day _____, 2025, by and between the City of El Paso, Texas, a municipal corporation existing under the laws of the State of Texas (the “**Lessor**”), and ELP Land Holdings I, LLC, a Delaware limited liability company, (“**Lessee**”) and collectively referred to as (“**Parties**”).

WHEREAS, Lessor and Lessee entered into a Ground Lease Agreement (the “**Lease**”), with an effective date of March 28, 2023 to lease 8,994,892.7 square feet of land within portions of Section 21 and 22, Block 80, Township 2 Texas and Pacific Railway Company Surveys; and

WHEREAS, on November 7, 2023 the Parties entered into the First Amendment to the Ground Lease Agreement to exclude 242,932.80 square feet of land to the property leased under the Ground Lease entered on March 28, 2023 and to adjust the due diligence and rent commencement periods in the Lease; and

WHEREAS, the Parties wish to amend the Lease to change the amount and timing of rent payments in Section 3.02 Commencement of Rent and Time of Payment, the title and language in Section 5.04 Certificate of Completion Deadlines, update the language in Section 10.06 Termination under Phased Development Lease to account for delays in the entitlement and utility phases of development, update Exhibit “C” Allowed Uses and Additional Use Requirements and Restrictions, update Exhibit “D” Phased Development Parcels, Exhibit “E” Phased Development Improvements and Additional Requirements, and Exhibit “F” Site Plan for Parcel 1.

NOW, THEREFORE, the Parties agree as follows:

1. Section 3.02 Commencement of Rent and time of Payment, of the Lease, as amended in the First Amendment, is amended to read as follows:

3.02 Commencement of Rent and Time of Payment.

For purposes of this Section, the initial Rent, as identified in Section 3.01, can be broken down by parcel as follows:

Parcel "I" (1,918,148.00 square feet @ \$0.1969) - \$377,683.34 annual, \$31,473.61 monthly

Parcel "2" (2,065,823.5 square feet @ \$0.1969) = \$406,760.65 annual, \$33,896.72 monthly

Parcel "3" (2,145,724.4 square feet @ \$0.1969) = \$422,493.13 annual, \$35,207.76 monthly

Parcel "4" (2,659,738.5 square feet @ \$0.1969) = \$523,702.51 annual, \$43,641.88 monthly

Total (8,789,434.4 square feet @ \$0.1969) = \$1,730,639.63 annual, \$144,219.97 monthly)

Payment of Rent by Lessee to Lessor as aforesaid shall commence as follows: Payment of Rent for the area marked as Parcel "1" on Exhibit "D" will commence September 5, 2025 or on the date of the issuance of the first certificate of occupancy, whichever occurs first (the "Rent Commencement Date"). Payment of Rent for the area marked as Parcel "2" on Exhibit "D" will commence May 26, 2027 or on the date of the issuance of the first certificate of occupancy, whichever occurs first. Payment of Rent for the area marked as Parcel "3" on Exhibit "D" will commence June 4, 2029 or on the date of the issuance of the first certificate of occupancy, whichever occurs first. Payment of Rent for the area marked as Parcel "4" on Exhibit "D" will commence June 14, 2031, or on the date of the issuance of the first certificate of occupancy, whichever occurs first.

2. Section 5.04 Certificate of Completion Deadlines of the Lease is amended in its entirety to read as follows:

Section 5.04 Construction Commencement Deadlines

Lessee will commence construction of each parcel shown on Exhibit "D" by the deadlines provided in Exhibit "E"- Phased Development Improvements and Additional Requirements. Failure by the Lessee to commence construction by the established deadlines is a material breach of this Lease and the Lessor may terminate this Lease in whole or in a part as it pertains to the undeveloped Parcels by sending written notification to the Lessee after the expiration of the deadlines described in the attachments, and Lessee's failure to cure such default within ninety (90) days after receipt of such notice. The notice sent by the Lessor to the Lessee for termination is sufficient evidence to the termination of the Lease and no other signed documents by the Lessee are required. Lessee will remain responsible for removing improvements from the Lease Premises as provided in the Lease. Unless allowed by the Director in writing (such permission not to be unreasonably withheld, delayed or conditioned), the Lessee will not commence construction of any buildings on any Parcel until the Lessee has obtained all certificates of completion for the buildings constructed on the previous Parcel(s).

For purposes of this Lease, Lessee is deemed to have commenced construction if grading or foundation work pursuant to a permit on the applicable Parcel has occurred.

3. Section 10.06 Termination under Phased Development Lease, of the Lease is amended in its entirety to read as follows:

Section 10.6 Termination under Phased Development Lease.

The Lessor may partially terminate this Lease as it pertains to any undeveloped Parcel if Lessee has not commenced construction of each Parcel shown on Exhibit "D" by the

deadlines established in Exhibit "E" of this Lease unless otherwise agreed by Lessor. Upon partial termination of this Lease as provided herein, all of Lessee's rights to such Parcels under this Lease will terminate (along with Lessee's obligation to pay rent for such Parcels) and the Lessor may proceed to lease the terminated Parcel(s) to other parties.

For illustration purposes only, if Lessee has failed to commence construction of Parcel 2 by the identified deadlines in Exhibit "E", then Lessor may terminate this Lease as it pertains to Parcels "2" (if construction has not timely commenced as allowed under this Lease), "3" and "4" at which point such Parcels will no longer be part of this Lease and the Lessor may proceed to lease such terminated Parcels to another party.

Partial termination of this Lease as provided in this Section may be done by the Lessor sending written notification to the Lessee within 90 calendar days after the deadlines described in Exhibit "E". The notice sent by the Lessor to the Lessee for partial termination is sufficient evidence to the partial termination of this Lease and no other signed documents by the Lessee are required. The Lessee remains responsible for the payment of Rent on undeveloped Parcels until the Lessor provides notice of the partial termination. Lessor's failure to timely deliver notification of termination shall be deemed Lessor's waiver of this termination option.

Unless allowed by the Lessor in writing, approval not to be unreasonably withheld, the Lessee will not commence construction on any Parcel until Lessee has obtained a certificate of completion for all buildings shown in Exhibit "D" from the City of El Paso for the previous Parcel. For illustration purposes, Lessee may not commence construction on Parcel 2 until Lessee has obtained a certificate of completion for all buildings shown in Exhibit "D" for Parcel 1 unless specifically authorized in writing by the Lessor. Failure to abide by the requirement to not commence construction on a Parcel until all previous Parcels have an approved certificate of completion from the City of El Paso is a material breach of this Lease. The Lessor may file any documents in the Official Records of El Paso County to evidence the partial termination of this Lease. Upon partial termination, the Rent amounts will be modified as provided in Section 3.01. Upon partial termination, the description of the Leased Premises in Section 1.0 will automatically be amended to only include the parcels of land that remain under the Lease.

If the Lessee fails to commence construction on Parcel 1 before the deadlines in Exhibit "E" of this Lease, then the Lessor may terminate this Lease in its entirety by sending written notification to Lessee within 90 calendar days from the deadline for Parcel 1 described above. The notice sent by the Lessor to the Lessee for partial termination is sufficient evidence to the termination of this Lease and no other signed documents by the Lessee are required. The Lessor may file any documents in the Official Records of El Paso County to evidence the termination of this Lease.

Provided Lessee has not timely started construction on Parcels 2, 3, or 4, Lessee may partially terminate this Lease as it pertains to Parcels 2, 3, and/or 4 identified in Exhibit "D" by sending written notification to the Lessor within 120 calendar days from the deadlines described in Exhibit "E" for the applicable Parcel as described in this Section

above. Upon partial termination as provided herein, all of Lessee's rights to such Parcels under this Lease will terminate and the Lessor may proceed to lease the terminated Parcels to other parties. The notice sent by the Lessee to the Lessor for partial termination is sufficient evidence to the partial termination of this Lease and no other signed documents by the Lessor are required. The Lessor may file any documents in the Official Records of El Paso County to evidence the partial termination of this Lease. Upon partial termination, the Rent amounts will be modified as provided in Section 3.0 1. Upon partial termination, the description of the Leased Premises in Section 1.0 will automatically be amended to only include the parcels of land that remain under the Lease.

Upon termination or partial termination as provided in this Section, the Lessee releases to the Lessor all of Lessee's rights to the terminated Parcels.

For purposes of this Lease, Lessee is deemed to have commenced construction if grading or foundation work pursuant to a permit on the applicable Parcel has occurred.

4. That Exhibit "C" Allowed Uses and Additional Use Requirements and Restrictions, Section 4 "Roadway, Utility, and Grading", Subsection "a" Roadway and Utilities be amended to as follows:

4. Roadway, Utility, and Grading

a. Roadway and Utilities. The Lessor will construct the extension of the South Road as identified below. The roadway will include the following utilities: water, wastewater, gas, communication fiber, stormwater, and electricity. The Lessor will allow connection to utilities at the public right of way limits. It will be the sole responsibility of the Lessee to connect to the utilities from the public right of way. Construction of the South Road will be completed no later than **24 months** from the Effective Date. In the event that the construction of the South Road is not completed within 24 months of the effective date, then Lessee's sole remedies will be to elect to partially terminate this lease as it pertains to Parcels 2, 3, and 4, or to delay the rent commencement deadlines for the delayed phases until such time as the South Road construction is accepted by the City. Notwithstanding the foregoing, in the event that the South Road is not finished and the Lessee proceeds with the development of Parcels 2, 3, and/or 4 by accessing the additional parcels through Parcel 1 then the Tenant will forfeit the ability to partially terminate the lease as it pertains to the additional developed parcels, and forfeit the ability to delay the rent commencement deadlines for the additional developed parcels, and begin to pay rent in accordance with the Rent Commencement timelines prescribed in this Agreement for each parcel.

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

6. Acknowledgement. Tenant and Landlord acknowledge and agree that all delays that resulted in the First and Second Amendment pertaining to approvals of utilities and development entitlements were unforeseen and that no default by either party under the Lease Agreement has occurred as it pertains to any delays in construction.
7. Exhibits. Exhibits D, E, and F of the Lease are replaced with Exhibits D, E, and F attached to this Second Amendment.
8. Except as herein amended, all other terms and conditions of the Lease, as amended by the First Amendment, not specifically modified by this Second Amendment shall remain unchanged and in full force and effect.

(Space left intentionally blank)

(Signatures begin on the following page)

LESSOR'S SIGNATURE AND ACKNOWLEDGMENT

IN WITNESS WHEREOF, the parties have hereunto set their hands as of this ____ day of _____, 2025.

LESSOR: CITY OF EL PASO

Dionne Mack
City Manager

APPROVED AS TO FORM:

Ignacio R. Troncoso
Assistant City Attorney

APPROVED AS TO CONTENT:

Juan Antonio Nevarez, CM, ACE, IACE
Director of Aviation

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this _____ day of, 2025, by Dionne Mack, as City Manager of the City of El Paso, Texas.

Notary Public, State of Texas

My Commission Expires:

(Signatures continue on the following page)

LESSEE'S SIGNATURE AND ACKNOWLEDGMENT

LESSEE:

By: [Signature]
Print Name: JEREMY RYDBERG
Title: MANAGER

ACKNOWLEDGMENT

THE STATE OF TEXAS)
)Hsy
COUNTY OF ~~EL PASO~~)DALLAS

This instrument was acknowledged before me on this 1 August day of, 2025, by
Jeremy Rydberg as MANAGER for Lessee.

[Signature]
Notary Public, State of Texas

My Commission Expires:

5-31-27

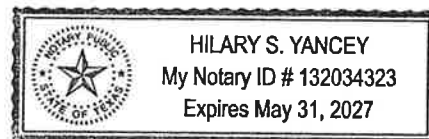


Exhibit "D"

Phased Development Parcels

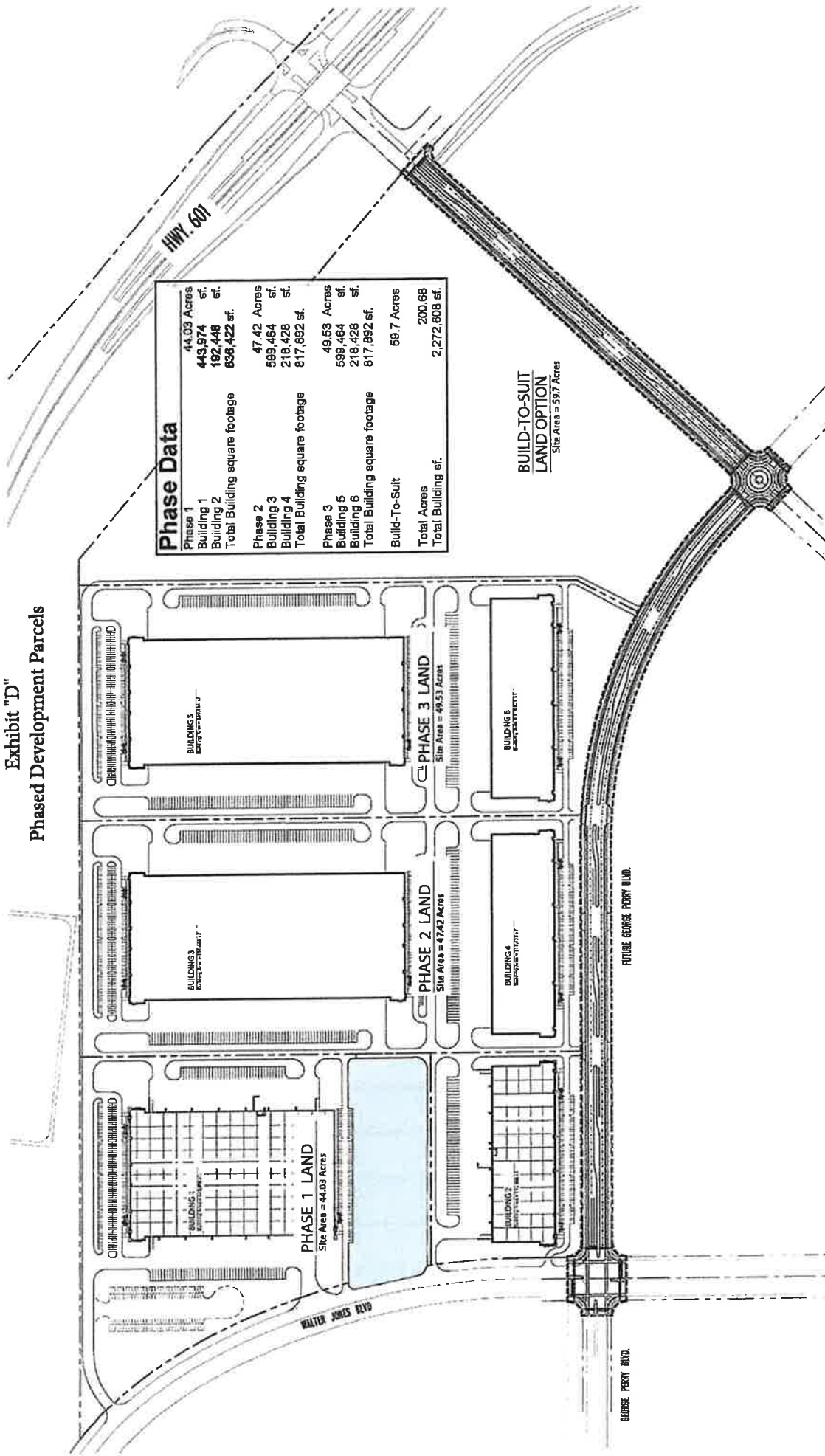


Exhibit "E"
Phased Development Improvements and Additional Requirements

Parcel 1 Development

1. Number of buildings and approximate square footage for each building: 2 buildings.
(Building 1: 443,974 square feet. Building 2: 192,448 square feet)
2. Construction commencement deadline for all buildings: September 5, 2025.
3. Special construction requirements: The improvements need to be designed and built to have the appearance of a planned industrial park in terms of signage, materials, color, landscaping, and building design.

Parcel 2 Development

1. Number of buildings and approximate square footage each building: spec buildings number and square footage according to market requirements.
2. Construction commencement deadline for all buildings: May 26, 2027.
3. Special construction requirements: The improvements need to be designed and built to have the appearance of a planned industrial park in terms of signage, materials, color, landscaping, and building design.

Parcel 3 Development

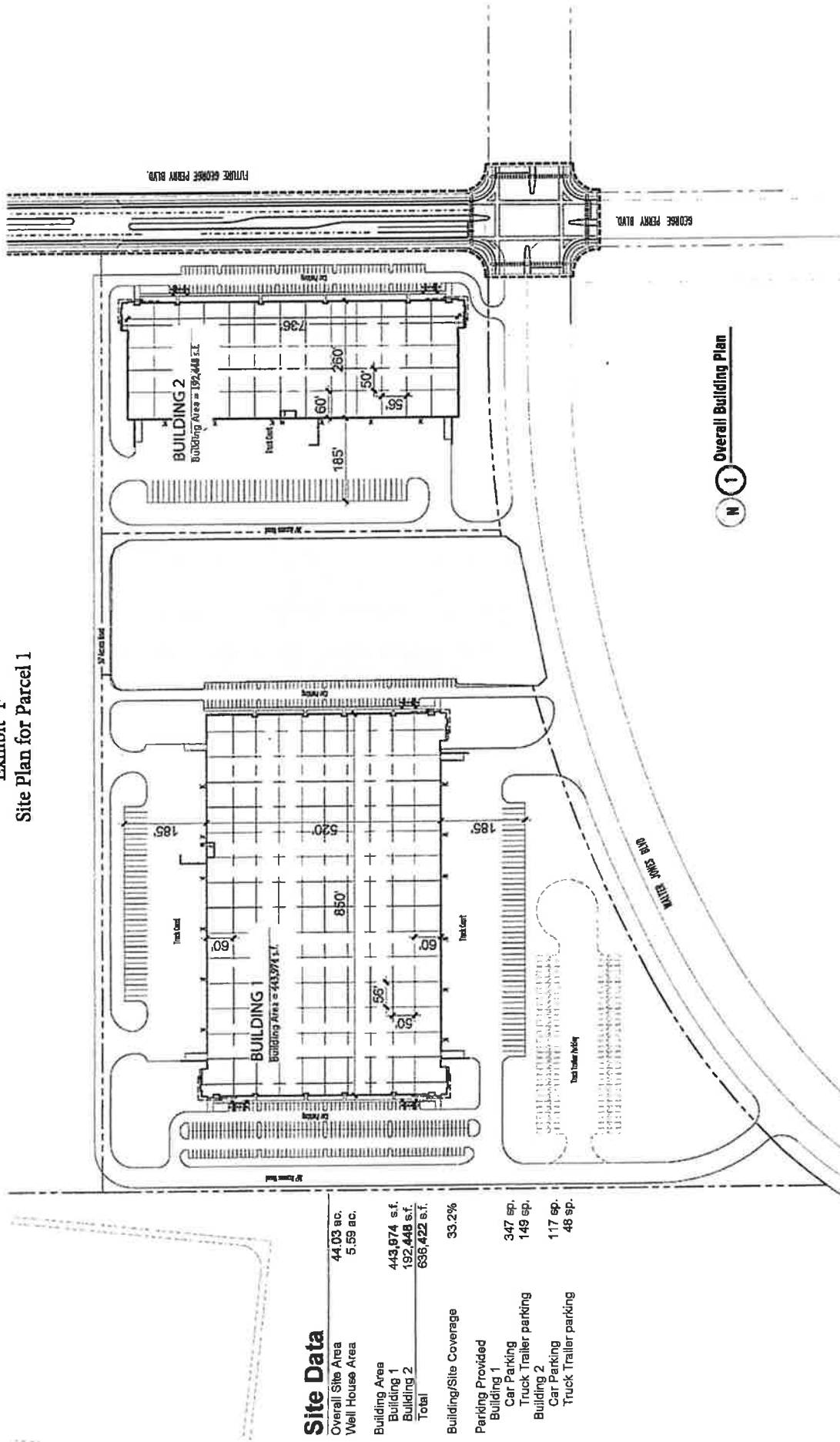
1. Number of buildings and approximate square footage each building: spec buildings number and square footage according to market requirements.
2. Construction commencement deadline for all buildings: June 4, 2029.
3. Special construction requirements: The improvements need to be designed and built to have the appearance of a planned industrial park in terms of signage, materials, color, landscaping, and building design.

Parcel 4 Development

1. Number of buildings and approximate square footage each building: spec buildings number and square footage according to market requirements.
2. Construction commencement deadline for all buildings: June 14, 2031.

Special construction requirements: The improvements need to be designed and built to have the appearance of a planned industrial park in terms of signage, materials, color, landscaping, and building design.

Exhibit "F" Site Plan for Parcel 1



Site Data

Overall Site Area	44.03 ac.
Well House Area	5.69 ac.
Building Area	443,974 s.f.
Building 1	192,448 s.f.
Building 2	636,422 s.f.
Total	33.2%
Building/Site Coverage	
Parking Provided	
Building 1	347 sp.
Car Parking	149 sp.
Truck Trailer parking	
Building 2	117 sp.
Car Parking	48 sp.
Truck Trailer parking	

DISCLOSURE OF CAMPAIGN CONTRIBUTIONS AND DONATIONS FORM

In compliance with [Title 2, Chapter 2.92, Section 2.92.080](#)

Introduction:

Individuals or entities benefiting by a City Council Agenda item must disclose contributions or donations made to current members of Council under the City's Ethics Code. The information on this form is being captured for transparency purposes and will be noted on the relevant City Council Agenda. **Contributions and Donations do NOT disqualify an applicant from doing business with the City.**

Definitions:

- "Contribution" A direct or indirect transfer of money, goods, services, or any other thing of value and includes an agreement made or other obligation incurred, whether legally enforceable or not, to make a transfer. The term includes a loan or extension of credit, other than those expressly excluded by the Texas Election Code, and a guarantee of a loan or extension of credit.
- "Contributor" A person making a contribution, including the contributor's spouse.
- "Donation" Cash and the value of any in-kind contributions or gifts to the council member for use by their office or in their district.
- "Donor" An individual and spouse, a business entity, or an individual who owns a business entity in whole or in part, or is operated by the individual, that is the subject of a council agenda item.
- "Benefiting" Shall include but not be limited to any contract, bid award, franchise, permit, zoning or rezoning, and other award that council will vote on.

Instructions: Please read and complete this form carefully. If you have made campaign contributions or donations to any current City Council member(s) totaling an aggregate of \$500 or more during their campaign(s) or term(s) of City office, you are required to disclose the information as specified below. If you have not made such contributions or donations past the limit specified in the ordinance, you are required to affirm your compliance with the municipal code. Please submit this completed form along with your application or proposal to the relevant city department. Failure to disclose campaign contributions or donations as required by the ordinance may result in a violation of the City's Ethics Code requirements, and sanctions under the Ethics Code 2.92.

Contributor / Donor Information:

Full Name _____

Business Name _____

Agenda Item Type _____

Relevant Department _____

Disclosure Affirmation: Please check the appropriate box below to indicate whether you have made campaign contributions or donations totaling an aggregate of \$500 or more to any City Council member(s) during their campaign(s) or term(s) of City office specified in Section 2.92.080 of the El Paso Municipal Code.

I have **NOT** made campaign contributions or donations totaling an aggregate of \$500 or more to any City Council member(s) during their campaign(s) or term(s) of City office, as specified in Section 2.92.080 of the El Paso Municipal Code.

OR

I have made campaign contributions or donations totaling an aggregate of \$500 or more to the following City Council member(s) during their campaign(s) or term(s) of City office:

OFFICE	CURRENT COUNCIL MEMBER NAME	AMOUNT (\$)
Mayor		
District 1		
District 2		
District 3		
District 4		
District 5		
District 6		
District 7		
District 8		

Declaration: I hereby affirm that the information provided in this disclosure form is true and accurate to the best of my knowledge. I understand that this disclosure is required by Title 2, Chapter 2.92 of the El Paso Municipal Code and is subject to verification by the city authorities. Further, **I understand that upon submission of this form, I must disclose any subsequent contributions or donations prior to the relevant council meeting date.**

Signature: LR Date: _____