



Legislation Details (With Text)

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Title: Approve Amendment No. 2 to Lease between the City of Fresno and Federal Express, Inc., for cargo operations at Fresno Yosemite International Airport. (Council District 4)

Sponsors: Airports Department

Indexes:

Code sections:

Attachments: 1. 12-1-2016 FedEx Lease Amendment 2 (attachment to SR).pdf

Date	Ver.	Action By	Action	Result
12/1/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

December 1, 2016

FROM: KEVIN R. MEIKLE, Director of Aviation
Airports Department

SUBJECT

Approve Amendment No. 2 to Lease between the City of Fresno and Federal Express, Inc., for cargo operations at Fresno Yosemite International Airport. (Council District 4)

RECOMMENDATION

Staff recommends City Council approve Amendment No. 2 to Lease Agreement (Lease) between the City of Fresno and Federal Express (FedEx) for an additional term of five (5) years at Fresno Yosemite International Airport (FAT).

EXECUTIVE SUMMARY

FedEx operates on the Cargo Ramp at FAT under a lease with a term of November 15, 2005 through December 31, 2016. Amendment No. 2 will extend the term, update insurance and indemnification language, and change the annual rental adjustment date to coincide with the publication of the annual Consumer Price Index (CPI) report. Amendment No. 2 will commence January 1, 2017 and expire on December 31, 2021.

BACKGROUND

FedEx began its FAT cargo operations in 1997 on the aircraft ramp area adjacent to the west side of the main airline terminal. In 2006 FedEx relocated to the then-newly-constructed Air Cargo ramp area following the completion of their current facility. The Air Cargo ramp area accommodates all of FAT's cargo activities. FedEx flies Boeing 757 cargo aircraft Monday through Friday, with increased frequencies during busy holiday periods.

Amendment No. 1 allowed FedEx access to cargo ramp infrastructure for the installation of a wireless network system to support their operations.

FedEx is a valuable tenant at FAT. In addition to supporting regional commerce, FedEx generates economic activity, including full and part time jobs for the Fresno area. FedEx has met and continues to meet, all of its lease obligations, including making lease payments in a timely and responsible manner.

Amendment No. 2 has been approved as to form by the City Attorney's Office.

ENVIRONMENTAL FINDINGS

This Amendment is not a project pursuant to CEQA Guidelines section 15378.

LOCAL PREFERENCE

Local preference does not apply because this Amendment does not include a bid or award of a construction or services contract.

FISCAL IMPACT

Total rental revenue from Amendment No. 2, not including annual CPI adjustments, will be \$407,589. All revenue will be deposited into the Airports Enterprise Fund and will contribute to the operation and maintenance of FAT. In addition, this business will continue to provide an economic benefit to region. There is no impact to the General Fund from this item.

Attachments:

Amendment No. 2 to Lease Agreement