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Gary / Chicago International Airport Announces UPS Lease Agreement

Long-Term Lease and Easement Agreement Clears Critical First Step

(Gary, IN – May 13th, 2020) – Today, the Gary / Chicago International Airport (GCI A) Authority formally approved a long-term lease and easement access agreement with United Parcel Service (UPS) to begin express air shipment operations later this year. These actions represent critical first steps taken by the airport and provide a clear pathway for UPS service to begin operations later this year, in advance of the peak holiday shopping season.

“UPS expanding its services to GCI A provides the airport with a critical competitive advantage and solidifies its role as the Chicago region’s 3rd regional airport,” **said GCI A Board Authority Chairman Timothy Fesko**. “This is the latest private sector investment bolstering our operations capability and allows the airport to provide critical benefits to the Chicago Metropolitan Area and Northwest Indiana.”

The UPS agreement includes 14,000 square feet of office space in the airport’s passenger terminal as well as a 150,000 square foot ramp, with enough space to park two A300s. Further, it provides GCI A with an important new tenant while also allowing the airport to enhance its vital niche in the Chicago regional air traffic network. Chicago’s two major airports at Midway and O’Hare International Airports have high commercial air traffic use, allowing GCI A to function a vital option for cargo carrier services to support the region.

“The Gary/Chicago International Airport is well-positioned to add additional capacity and flexibility to the UPS network, helping businesses in Northern Indiana and the Chicago area compete at e-commerce’s fast pace as they serve their customers,” **UPS Airlines President Brendan Canavan said**.

UPS will offer Next Day Air Service per their agreement with GCI A. Each weeknight, UPS aircraft will depart GCI A for the company’s global air hub in Louisville, KY for sorting purposes. Early the following morning, the aircraft will return to GCI A carrying thousands of express packages for delivery later that day. Nationwide, Next Day Air volume grew by 20.5% in the first quarter of 2020, the fourth consecutive quarter of double-digit increases.

“This agreement represents a new era for the Gary / Chicago International Airport and is a real game-changer for airport operations moving forward,” **said GCI A Executive Director Duane Hayden**. “Over the past several years, the airport has witnessed continued private and public investments to get us to this moment and we could not be more pleased.”

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Gary / Chicago International Airport Announces UPS Lease Agreement (Cont)

In 2015, the airport's main runway was expanded and now totals nearly 9,000 feet, giving Gary the second longest runway in the region after O'Hare International Airport. The expansion allows GCI A to serve aircraft from destinations further away and importantly, allowing the airport to accommodate larger, heavier aircraft. UPS will service GCI A with a UPS Airlines Airbus A300, a wide-body cargo jet with a maximum payload of over 120,000 lbs and the ability to carry over 14,000 Next Day Air Packages.

"I would like to offer a well-deserved congratulations to Airport Chairman Tim Fesko, Airport Director Duane Hayden and all of the Gary / Chicago International Airport team for taking this critical first step. The airport is an important economic engine for the region, and continued investments at the airport lead to increasing opportunities for Gary residents," **said City of Gary Mayor Jerome Prince**. "We look forward to the formal ribbon-cutting to properly celebrate this important achievement."

UPS anticipates employing about 60 people at the GCI A facility, including ground handlers, administrative positions, aircraft maintenance technicians and management employees. Some will be current UPS employees who transfer to Gary, while others will be new hires. Hiring will begin later this year, and positions will be posted on www.upsjobs.com.

"We are thrilled to welcome UPS to the Gary / Chicago International Airport family, and we look forward to offering Northwest Indiana, the City of Gary, and the Chicago metro-area expanded mail, cargo, and commerce avenues," **said Jorge Roberts, CEO of AvPORTS**, the single service provider overseeing airport operations. "This agreement will bolster the local community as well, and AvPORTS cannot wait for this partnership to take-off."

"We are pleased to see the Gary / Chicago International Airport Authority and UPS reach this agreement and take the first step in establishing operations at GCI A," added **Chuck Stipancic, CEO of AFCO**, a national leader in developing cargo facilities. "We have had long-standing partnerships with both entities and are eager to see the beginning of cargo operations later this year."

The GCI A Authority has made local hiring a key criterion for new construction at the airport and has aggressive minimum local hiring standards when local bids are submitted. In the event local options are unavailable, bid applicants are encouraged to subcontract work to local firms and / or commit to local hiring.

A formal, public ribbon-cutting ceremony will be held to further celebrate the agreement, to occur likely in the late 3rd Quarter or early 4th Quarter of 2020. The timing of any formal public events will be driven by the ongoing response to the COVID-19 outbreak and existing public health guidelines to ensure proper precautions are in place.

About Gary/Chicago International Airport

Located minutes from the shores of Lake Michigan and just 25 miles from downtown Chicago, Gary/Chicago International Airport (GYA) is a full-service airport and a premiere destination for corporate and weekend flyers in the Chicago metropolitan region and Northwest Indiana. To learn more, visit the airport's new website at FlyGYA.com.

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