

ORDINANCE 2019-09-12-0713

APPROVING AN AMENDMENT TO THE LEASE AGREEMENT WITH THE HERTZ CORPORATION TO EXTEND THE TERM UP TO TWO YEARS GENERATING \$223,426.39 IN REVENUE DURING THE FIRST YEAR OF THE EXTENSION, AND IF EXTENDED FOR A SECOND YEAR, GENERATING \$256,940.35 TO BE DEPOSITED INTO THE AIRPORT OPERATING AND MAINTENANCE FUND.

* * * * *

WHEREAS, the City and The Hertz Corporation entered into a San Antonio International Airport Lease in June 2010, authorized by Ordinance No. 2010-06-17-0543, for Building 1170 and 310,179 square feet of ground space at 910 West Cargo Road; and

WHEREAS, the parties wish to amend the Lease to extend the term for one additional year, with the option to extend for one additional year at the sole discretion of the Director of the Aviation Department; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or designee is authorized to execute an amendment to the Lease Agreement with The Hertz Corporation for the property located at 910 West Cargo Road at the San Antonio International Airport to extend the term up to two years and generate \$223,426.39 in revenue during the first year, a copy of which is set out in **EXHIBIT 1**.

SECTION 2. Funds generated by this Ordinance will be deposited into Fund 51001000 Internal Order 233000000173 and General Ledger Account 4409040.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

PASSED and APPROVED this 12th day of September, 2019.


M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:


for Leticia M. Vacek, City Clerk


for Andrew Segovia, City Attorney

Agenda Item:	21 (in consent vote: 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19A, 19B, 20, 21, 22, 23, 24, 25, 27, 28, 29, 30, 31, 32, 33, 35, 36, 37, 38, 39, 40)
Date:	09/12/2019
Time:	10:04:32 AM
Vote Type:	Motion to Approve
Description:	Ordinance approving an amendment to the lease agreement with The Hertz Corporation to extend the term of the lease for one year with an option to extend for an additional year. The revenue for the first year is \$223,426.39, and \$256,940.35 if extended for a second year, for a total of \$480,366.74 which will be deposited into the Airport Operating and Maintenance Fund. [Carlos Contreras, Assistant City Manager; Russell Handy, Director, Aviation]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ron Nirenberg	Mayor		x				
Roberto C. Treviño	District 1		x			x	
Jada Andrews-Sullivan	District 2		x				
Rebecca Viagran	District 3		x				
Adriana Rocha Garcia	District 4		x				
Shirley Gonzales	District 5		x				
Melissa Cabello Havrda	District 6		x				
Ana E. Sandoval	District 7		x				
Manny Pelaez	District 8		x				
John Courage	District 9		x				x
Clayton H. Perry	District 10		x				

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09/12/19
Item No. 21

EXHIBIT 1
THE HERTZ CORPORATION LEASE AMENDMENT

**SAN ANTONIO INTERNATIONAL AIRPORT
LEASE AMENDMENT NO. 3**

THIS LEASE AMENDMENT is made in multiple originals and entered into by and between the City of San Antonio, a Texas Municipal Corporation, (hereinafter "City" or "Lessor") acting by and through its City Manager, pursuant to Ordinance No. _____ adopted on _____, _____ and The Hertz Corporation., a Delaware corporation (hereinafter "Lessee") acting by and through its duly authorized officer.

WHEREAS, City and Lessee entered into a San Antonio International Airport Lease dated July 6, 2010, as authorized by Ordinance Number 2010-06-17-0543; ("Lease") and

WHEREAS, the Lease expires upon completion of ongoing repairs to the Consolidated Rental Car Facility (CONRAC) at San Antonio International Airport; and

WHEREAS, Those ongoing repairs have been completed; NOW THEREFORE,

In consideration of the terms covenant, agreements and demises herein contained and for other good and valuable consideration, each to the other given, the receipt and sufficiency of which is hereby mutually acknowledged, City and Lessee agree to amend the Lease as follows:

1. Term. The term of the Lease is hereby extended for a period of one year, commencing upon the date of final execution of this Amendment, and expiring at midnight, one year from that date.

At the sole discretion of the Director, the Lease may be extended for one (1) additional one-year term. This option may be exercised without further City Council action.

Lessee and Lessor shall each have the right to terminate this Agreement at any time upon no less than 90 days' advance written notice to the other party.

2. Rent. The following table shall replace the rental provisions contained in Section 2.1.

Premises	Area Square Footage	Annual Rate Per Square Foot	Monthly Rental	Annual Rental
Building #1170	7,907	\$0.4600	\$ 3,637.22	\$ 43,646.64
Ground Space	310,179	\$0.0483	\$14,981.65	\$179,779.75
TOTAL			\$18,618.87	\$223,426.39

Should the option to extend the Lease for an additional year be exercised, a 15% rate increase shall apply.

3. Performance Guarantee. The amount of Performance Guarantee listed in Section VII is increased to ONE HUNDRED ELEVEN THOUSAND, SEVEN HUNDRED SEVENTY FIVE AND 02/100 US DOLLARS (\$111,775.02).

4. The following is added to Section 5—Construction by Lessee.

“Section 5.8—Upon expiration of the Lease, or upon Lessee’s vacating of the Premises, Lessee shall be responsible for demolishing all buildings and canopies located within the Leasehold, at its sole expense.”

5. The following is added to Section 6—Insurance.

“Section 6.11-- The City of San Antonio Aviation Department, Properties and Concessions Division, utilizes an insurance certificate tracking firm to verify all insurance forms required from lessees, contractors and subcontractors associated with any lease or contract. The Division’s current provider is myCOI. Upon lessee’s or contractor’s receipt of this executed lease or contract, an email will be sent to you asking you to register online with myCOI. Please make sure the following address is added to your “safe sender” list to ensure you receive this email communication (registration@mycoitracking.com). It is critical that you provide the Division with your accurate email address. Part of the registration process includes providing contact information for your insurance agent(s). You will also need this information available to you at the time of registration. Once you have registered and entered the email address for your insurance agent(s), an email will be sent to the insurance agent(s) requesting them to upload your Certificate of Insurance (COI) directly into the myCOI website. Certificates of Insurance cannot be mailed, emailed or faxed to the Aviation Department, Properties and Concessions Division. Your agreement will not be in compliance, nor will you be allowed to occupy, operate nor begin construction until registration is completed and a compliant COI and all required endorsements are received from your agent(s).

6. This Amendment sets forth the entire agreement between the parties. Except as amended herein, all of the terms and provisions of the Agreement between the parties shall remain in full force and effect. In case of any inconsistency between the provisions of the Agreement and this Amendment, the later provision shall govern and control.

IN WITNESS WHEREOF, the City and Lessee have executed this Amendment as of the date below indicated.

THE HERTZ CORPORATION

CITY OF SAN ANTONIO

By:  _____

By: _____
Erik J. Walsh, City Manager

Stephen A. Blum _____
Print Name

Date: _____

Senior Vice President,
Its: Real Estate and Facilities _____

APPROVED:

Date: July 24, 2019 _____

City Attorney