

THIS IS A DRAFT AND WILL BE REPLACED BY THE FINAL, SIGNED
ORDINANCE OR RESOLUTION ADOPTED BY CITY COUNCIL.

AN ORDINANCE

AUTHORIZING A LEASE AGREEMENT WITH WESTERNSATLEASING FOR TWO PARCELS LOCATED AT 10440 JOHN CAPE ROAD AT SAN ANTONIO INTERNATIONAL AIRPORT FOR AN INITIAL TERM OF 25 YEARS, WITH A POSSIBLE FIVE YEAR EXTENSION IF CAPITAL INVESTMENT LEVELS ARE MET.

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WHEREAS, San Antonio International Airport owns two parcels of land with two hangars and one additional building located at 10440 John Cape Road which are currently not leased to any tenant and have been unoccupied and unused since 2013; and

WHEREAS, WesternSATLeasing wishes to lease those parcels, demolish the three existing structures located there, and construct new hangar facilities to sublease to other tenants; and

WHEREAS, the initial annual rental rate for both parcels will total \$96,640.00 during the construction period, and shall adjust to an annual rental rate of \$154,624.80 once construction on both parcels is complete; and

WHEREAS, Western has agreed to make a minimum capital investment of \$20,000,000.00 for improvements to parcel 1 and \$5,000,000.00 for improvements to parcel 2; and

WHEREAS, San Antonio International Airport and Western representatives have negotiated a lease for an initial term of 25 years, with an option to extend the initial term for an additional 5 years, if this minimum capital investment threshold is attained; **NOW THEREFORE**,

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

SECTION 1. The terms and conditions of the lease with WesternSATLeasing at San Antonio International Airport are hereby approved. The City Manager or her designee is authorized to execute the Lease Agreement with WesternSATLeasing, a copy of which is set out in **Exhibit 1**.

SECTION 2. Funds generated by this ordinance will be deposited into Fund 4409040, Internal Order 233000000008 and General Ledger 51001000.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance 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.

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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 ____ day of June, 2018.

MAYOR
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Leticia M. Vacek, City Clerk

Andrew Segovia, City Attorney

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EXHIBIT—WesternSATLeasing LEASE

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