

AN ORDINANCE **2016-04-07-0237**

**AUTHORIZING AN AMENDMENT TO THE LEASE AGREEMENT
WITH HH AVIATION, LLC AT THE SAN ANTONIO INTERNATIONAL
AIRPORT TO EXTEND THE TERM TO APRIL 30, 2021.**

* * * * *

WHEREAS, by Ordinance 2011-06-09-0476 approved June 9, 2011, City Council authorized a San Antonio International Airport ("SAT") Lease for building and ground space with HH Aviation, LLC for its corporate flight operations and aircraft storage and maintenance at SAT for a term to end on April 30, 2016; and

WHEREAS, the City and HH Aviation would like to amend the Lease to extend the term of the lease for an additional five years, terminating April 30, 2021; **NOW THEREFORE**,

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

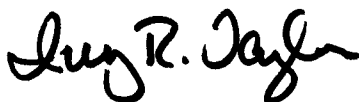
SECTION 1. An amendment to the existing lease with HH Aviation, LLC to extend the term by five years to April 30, 2021 is hereby approved. The City Manager or her designee is hereby authorized to execute the amendment, a copy of which amendment is set out in **Exhibit 1**.

SECTION 2. Funds generated by this Ordinance will be deposited into Fund 51001000, Internal Order 2330000000004 and General Ledger 4409016.

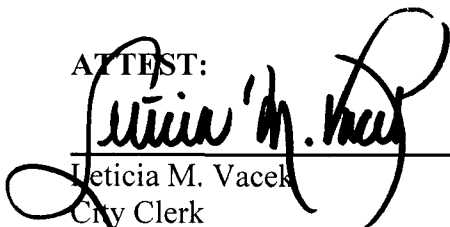
SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, 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.

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

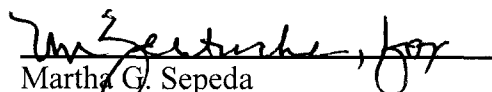
PASSED and APPROVED this 7th day of April, 2016.


M A Y O R
Ivy R. Taylor

ATTEST:


Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:


Martha G. Sepeda
Acting City Attorney

Agenda Item:	8 (in consent vote: 5, 6, 7, 8, 9, 12, 13, 14, 15, 16, 17, 19, 20)						
Date:	04/07/2016						
Time:	11:21:42 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing an amendment to a lease agreement with HH Aviation, LLC at the San Antonio International Airport to extend the term to April 30, 2021. [Carlos Contreras, Assistant City Manager; Noel T. Jones, Director, Aviation]						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1	x					
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3	x					
Rey Saldaña	District 4	x					
Shirley Gonzales	District 5		x				x
Ray Lopez	District 6	x					
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

Exhibit 1

**SAN ANTONIO INTERNATIONAL AIRPORT
AMENDMENT OF LEASE AGREEMENT**

THIS AMENDMENT OF LEASE AGREEMENT ("Amendment") is entered into by and between **HH AVIATION, LLC** ("Lessee"), a Texas limited liability company, acting by and through its president; and the **City of San Antonio** ("City" or "Lessor") acting by and through its City Manager pursuant to Ordinance No. _____ passed and approved on _____, which Amendment is set forth as follows:

WHEREAS, City and Lessee entered into that certain San Antonio International Airport Lease on July 1, 2011, pursuant to Ordinance No. 2011-06-09-0476 (hereinafter the "Lease Agreement"); and

WHEREAS, the current term of the Lease Agreement expires April 30, 2016, and the parties desire to extend the Lease term for an additional five year term, to terminate April 30, 2021;

NOW THEREFORE: in consideration of the terms, covenants and promises, 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 acknowledged, Lessee and City agree:

I. **Article 3, Rental**, of the Lease Agreement is deleted in its entirety and the following shall be inserted in its place:

3.01 Lessee agrees to pay Lessor as rental as indicated on the table below, monthly in advance (without notice or demand, both of which are expressly waived) for the use and occupancy of the Leased Premises, at the times and in the manner hereinafter provided. All rentals shall be calculated on an annual basis and shall be paid by Lessee to Lessor in advance without invoicing, notice or demand, in equal monthly installments on or before the first day of each calendar month beginning on the Commencement Date and continuing throughout the remainder of the term of this Lease Agreement and any extension(s) hereof. In the event that the term of this Lease Agreement shall commence on the day other than the first day of any calendar month or expire on a day other than the last day of a calendar month, then, and in such event, rental installments will be prorated for the first or last month as the case may be. New rates effective May 1, 2016 are set forth in the table below:

<u>Premises</u>	<u>Area (Sq. Ft.)</u>	<u>Annual Rate Per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Ground space	28,499	\$0.50	\$14,249.50	\$1,187.46
Bldg. 1120	6,018	\$2.50	\$15,045.00	\$1,253.75

Rental amounts shall increase fifteen percent (15%) at the beginning of the sixth lease year and every five (5) years thereafter during the Term.

3.02 Fees and charges for miscellaneous items and services, including, but not limited to, employee badges, parking charges, airfield driver's and security classes, personal property storage, shall be agreed to, in writing, by the parties hereto or be assessed by City ordinance, in connection with the ordinary usage

of Airport facilities.

3.03 All rentals and payments that become due and payable by the Lessee shall be made to Aviation Department, Attn: Finance Division, 457 Sandau Road, San Antonio, Bexar County, Texas, 78216, unless otherwise notified in writing. All rentals and payments unpaid for ten (10) days after the date due shall bear interest at the rate of eighteen (18) percent per annum or the maximum rate allowed under the law, from the date the amount was first due.

3.04 All rentals, fees and charges payable by Lessee to Lessor under the terms hereof, whether or not expressly denominated as rent, shall constitute rent for all purposes, including, but not limited to, purposes of the United States Bankruptcy Code.

II. **Article 5, Lease Term** of the Lease Agreement is hereby modified to read as follows:

The term of this Lease Agreement shall be ten (10) years that shall commence May 1, 2011 ("Commencement Date") and shall terminate at midnight on April 30, 2021 unless earlier terminated in accordance with this Lease Agreement.

III. **Section 10.1 – Rental Adjustment Based on Economic Index.** is deleted in its entirety.

IV. This Amendment sets forth the entire agreement as to the subject matter set forth herein between the parties. Unless modified herein, the terms and conditions of the Lease Agreement, as amended by this Amendment, remain in full force and effect.

V. The Amendment shall be effective upon execution by City.

VI. This Amendment is executed in multiple counterparts each of which contains all required original signatures and shall be considered an original on its own.

[signature page follows]

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment of Lease Agreement as of the dates set forth below.

CITY OF SAN ANTONIO
A Texas home-rule municipality

By: _____
Sheryl Sculley, City Manager

Date: _____

Approved as to form:

City Attorney

HH AVIATION, LLC
A Texas limited liability company

By: Peter M. Holt
Peter M. Holt, President

Date: _____