

AN ORDINANCE 2017-08-03-0527

**AUTHORIZING AN AMENDMENT TO A LEASE AGREEMENT  
WITH THE UNITED STATES POSTAL SERVICE TO REVISE THE  
RENTAL RATE SETTING PROCESS AT THE SAN ANTONIO  
INTERNATIONAL AIRPORT.**

\* \* \* \* \*

**WHEREAS**, City and United States Postal Service (USPS) entered into that certain San Antonio International Airport Lease for 103,586 square feet of ground space at San Antonio International Airport on March 1, 1988 (the "Lease"); and

**WHEREAS**, the Lease provides for periodic rent adjustments every five (5) years and requires the City and USPS collectively to select and engage a qualified real estate appraiser for the purpose of establishing the Fair Rental Value of the leased property, and to base rental amounts for the ensuing five (5) year period on the findings of said appraiser; and

**WHEREAS**, the City and USPS agree to waive the provision requiring appraisal of the leased premises every five (5) years, and instead, agree to a flat Fifteen Percent (15%) increase in rental payments for each five (5) year period through the expiration of the current Lease term; **NOW THEREFORE**,

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

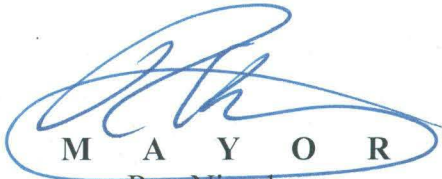
**SECTION 1.** The terms and conditions of the amended lease with the United States Postal Service at the San Antonio International Airport are hereby approved. The City Manager or her designee is authorized to execute the Lease Amendment with the United States Postal Service, a copy of which is set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

**SECTION 2.** Funds generated by this Ordinance will be deposited into Fund 51001000, Internal Order 233000000004 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 be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

**PASSED and APPROVED** this 3<sup>rd</sup> day of August, 2017.

  
M A Y O R  
Ron Nirenberg

**ATTEST:**

  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

  
Andrew Segovia, City Attorney

| <b>Agenda Item:</b> | <b>10 ( in consent vote: 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17 )</b>   |                    |            |            |                |               |               |
|---------------------|--|--------------------|------------|------------|----------------|---------------|---------------|
| <b>Date:</b>        | 08/03/2017   |                    |            |            |                |               |               |
| <b>Time:</b>        | 11:19:25 AM  |                    |            |            |                |               |               |
| <b>Vote Type:</b>   | Motion to Approve  |                    |            |            |                |               |               |
| <b>Description:</b> | An Ordinance authorizing an amendment to a lease agreement with the United States Postal Service to revise the rental rate setting process for the 103,586 square feet of ground space at the San Antonio International Airport. [Carlos Contreras, Assistant City Manager; Russell Handy, Director, Aviation] |                    |            |            |                |               |               |
| <b>Result:</b>      | Passed   |                    |            |            |                |               |               |
| <b>Voter</b>        | <b>Group</b>   | <b>Not Present</b> | <b>Yea</b> | <b>Nay</b> | <b>Abstain</b> | <b>Motion</b> | <b>Second</b> |
| Ron Nirenberg       | Mayor  |                    | x          |            |                |               |               |
| Roberto C. Treviño  | District 1   |                    | x          |            |                |               | x             |
| William Cruz Shaw   | District 2   | x                  |            |            |                |               |               |
| Rebecca Viagran     | District 3   |                    | x          |            |                | x             |               |
| Rey Saldaña         | District 4   |                    | x          |            |                |               |               |
| Shirley Gonzales    | District 5   |                    | x          |            |                |               |               |
| Greg Brockhouse     | District 6   |                    | x          |            |                |               |               |
| Ana E. Sandoval     | District 7   |                    | x          |            |                |               |               |
| Manny Pelaez        | District 8   |                    | x          |            |                |               |               |
| John Courage        | District 9   |                    | x          |            |                |               |               |
| Clayton H. Perry    | District 10  |                    | x          |            |                |               |               |

MAT  
08/03/17  
Item No. 10

## **EXHIBIT 1**



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

This Amendment of Lease is made in multiple originals and entered into by and between the **CITY OF SAN ANTONIO**, a Texas Municipal Corporation, ( hereinafter "Lessor") acting by and through its Aviation Director, pursuant to Ordinance No. 66642 adopted on February 25, 1988, and the **UNITED STATES POSTAL SERVICE** (hereinafter "Lessee"), acting by and through its duly authorized representative.

**WHEREAS**, Lessor and Lessee entered into that certain San Antonio International Airport Lease for 103,586 square feet of ground space San Antonio International Airport on March 1, 1988 as authorized by Ordinance No. 66642 (the "Lease"); and

**WHEREAS**, said Lease provides for periodic rent adjustments every five (5) years; and

**WHEREAS**, said Lease requires Lessee and Lessor collectively to select and engage a qualified Real Estate Appraiser for the purpose of establishing the Fair Rental Value of the leased property, and to base rental amounts for the ensuing five (5) year period on the findings of said Appraiser, **NOW THEREFORE**,

In consideration of the terms, covenants, agreements and demises herein contained, and in consideration of other good and valuable consideration, each to the other given, the sufficiency and receipt of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. Lessor and Lessee agree to waive the provision requiring appraisal of the leased premises every five (5) years, as contained in Section 1.1(A) of the Standard Provisions and Covenants attached as Exhibit No. 1 of said Lease, and instead, agree to a flat Fifteen Percent (15%) increase in rental payments for each five (5) year period through the expiration of the current Lease term, as outlined below.
2. Base Rental for the period beginning on March 1, 2018 through and including February 28, 2023 shall be as follows.

| Premises | Area<br>(Sq. Ft.) | Annual Rate<br>Per Sq. Ft. | Annual<br>Rental | Monthly<br>Rental |
|----------|-------------------|----------------------------|------------------|-------------------|
| Ground   | 103,586           | \$0.46                     | \$47,649.56      | \$3,970.80        |

3. Base Rental for the period beginning on March 1, 2023 through and including February 29, 2028 shall be as follows.

| Premises | Area<br>(Sq. Ft.) | Annual Rate<br>Per Sq. Ft. | Annual<br>Rental | Monthly<br>Rental |
|----------|-------------------|----------------------------|------------------|-------------------|
| Ground   | 103,586           | \$0.53                     | \$54,900.58      | \$4,575.05        |

4. This Amendment embodies the entire agreement and understanding between Lessor and Lessee as may be applicable with respect to the specific matters set forth herein, and

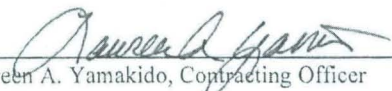
supersedes all prior agreements and understanding, written or oral, between Lessor and Lessee related to such matters.

This Amendment shall be effective immediately upon execution by Lessee.

IN WITNESS WHEREOF, the undersigned have duly executed this Amendment.

**LESSEE: UNITED STATES POSTAL SERVICE**

**LESSOR: CITY OF SAN ANTONIO**

By:   
Lauren A. Yamakido, Contracting Officer

By: \_\_\_\_\_  
Russell J. Handy, Aviation Director

Date: 6/14/17

Date: \_\_\_\_\_

**APPROVED:**

\_\_\_\_\_  
City Attorney