

ORDINANCE

2019-04-04-0271

**AUTHORIZING AN AMENDMENT TO THE LEASE AGREEMENT WITH CUTTER AVIATION SAN ANTONIO, INC. AT 367 SANDAU ROAD AT THE SAN ANTONIO INTERNATIONAL AIRPORT TO EXTEND THE AGREEMENT FOR AN ADDITIONAL YEAR TO MARCH 31, 2020 AND GENERATING \$121,614.60 IN REVENUE FOR THE AIRPORT OPERATING AND MAINTENANCE FUND.**

\* \* \* \* \*

**WHEREAS**, in March, 2014, City Council authorized a lease agreement with Cutter Aviation San Antonio, Inc. which included 108,769 square feet of ground space and 26,902 square feet of hangar space at San Antonio International Airport; and

**WHEREAS**, the current lease agreement expires on March 31, 2019, and Cutter Aviation San Antonio, Inc. wishes to extend the lease for an additional one year term, which will generate annual revenue of \$121,614.60;  
**NOW THEREFORE:**

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

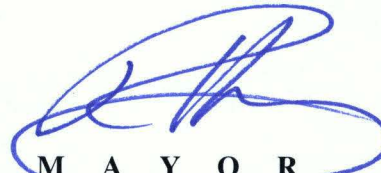
**SECTION 1.** The City Manager or designee is authorized to execute an amendment to the lease agreement with Cutter Aviation San Antonio, Inc. for 108,769 square feet of ground space and 26,902 square feet of hangar space at San Antonio International Airport, extending the term for one year, a copy of which is set out in **EXHIBIT 1**.

**SECTION 2.** Funds generated by this ordinance will be deposited into Fund 51001000, Internal Order 2330000000006 and General Ledger 4409040.

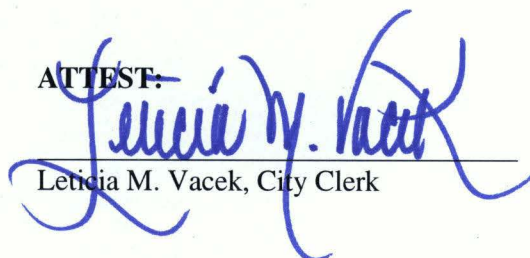
**SECTION 3.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, 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 is effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

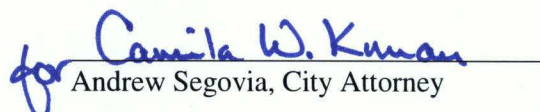
***PASSED and APPROVED** this 4th day of April, 2019.*

  
**M A Y O R**  
Ron Nirenberg

**ATTEST:**

  
Leticia M. Vacek, City Clerk

**APPROVED AS TO FORM:**

  
for Camila W. Kuman  
Andrew Segovia, City Attorney

<b>Agenda Item:</b>	<b>13 ( in consent vote: 5, 7, 8, 9, 10, 11, 12, 13, 14A, 14B, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29 )</b>						
<b>Date:</b>	04/04/2019						
<b>Time:</b>	10:02:13 AM						
<b>Vote Type:</b>	Motion to Approve						
<b>Description:</b>	Ordinance extending the lease agreement with Cutter Aviation San Antonio, Inc. at 367 Sandau Road at the San Antonio International Airport for an additional year to March 31, 2020, for the annual rate of \$121,614.60 in rental revenue for the Airport Operating and Maintenance Fund. [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	
Art A. Hall	District 2		x				x
Rebecca Viagran	District 3		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  
04/04/2019  
Item No. 13

**EXHIBIT 1**  
**CUTTER AVIATION SAN ANTONIO, INC. LEASE AMENDMENT**



**SAN ANTONIO INTERNATIONAL AIRPORT  
LEASE AMENDMENT NO. 1**

**THIS AMENDMENT** is made in multiple originals and entered into by and between the **City of San Antonio** ("City" or "Lessor"), a Texas Municipal Corporation, acting by and through its City Manager pursuant to Ordinance No. \_\_\_\_\_, passed and approved on \_\_\_\_\_, and **Cutter Aviation San Antonio, Inc.**, an Arizona corporation (hereinafter "Lessee") acting by and through its Board of Directors.

**WHEREAS**, City and Lessee entered into a San Antonio International Airport ("SAT") Lease for ground and hangar space located at 367 Sandau Road at the San Antonio International Airport, dated March 17, 2014, as authorized by Ordinance Number 2014-03-06-0136; and

**WHEREAS**, the Lease will expire on March 31, 2019; and

**WHEREAS**, City and Lessee wish to extend the lease for one additional year; **NOW THEREFORE**,

In consideration of the terms covenants, 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. ARTICLE 5--LEASE TERM** is amended as follows:

The term of the lease is extended for a period of one year, commencing on April 1, 2019 and expiring at midnight on March 31, 2020. This extended Lease term may be terminated by the Lessee upon 30 calendar days' written notice.

**2. ARTICLE 3--RENTAL** is amended as follows:

The rental table contained in Section 3.1 is replaced by the following, reflecting rental payments for the extended term:

DESCRIPTION	QUANTITY	RATE	MONTHLY DUE	ANNUAL DUE
Ground Space	108,769 sq. ft.	\$0.46	\$4,169.48	\$50,033.74
Hangar 1, Bldg. 1020	16,054 sq. ft.	\$2.81	\$3,759.31	\$45,111.74
Hangar 2, Bldg. 1021	10,848 sq. ft.	\$2.44	\$2,205.76	\$26,469.12
<b>TOTAL</b>			<b>\$10,134.55</b>	<b>\$121,614.60</b>

3. 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 provisions shall govern and control.
4. This Amendment shall be effective upon execution by all parties.

EXECUTED by City and Lessee as indicated below.

**CUTTER AVIATION SAN ANTONIO,  
INC.**

**CITY OF SAN ANTONIO**

By: 

By: \_\_\_\_\_  
Erik J. Walsh, City Manager

Steven Prieser  
Print Name

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

Its: CFO

APPROVED AS TO FORM:

Date: 3/4/2019

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