



City of San Antonio

Legislation Details (With Text)

File #: 15-5572

Type: Real Property Lease

In control: City Council A Session

On agenda: 11/12/2015

Title: An Ordinance authorizing an amendment to a lease agreement with Sierra Victor, Inc. to extend the term three additional years with two one-year optional extensions in exchange for the tenant demolishing two hangars at the San Antonio International Airport. [Carlos Contreras, Assistant City Manager; Frank Miller, Director, Aviation]

Sponsors:

Indexes: Aviation Lease Agreements

Code sections:

Attachments: 1. Amendment 3 Sierra Victor 10 6 15, 2. Draft Ordinance, 3. Ordinance 2015-11-12-0944

Date	Ver.	Action By	Action	Result
11/12/2015	1	City Council A Session	adopted	Pass

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amendment to the Lease Agreement with Sierra Victor, Inc. at the San Antonio International Airport

SUMMARY:

This Ordinance authorizes an amendment to a lease agreement with Sierra Victor, Inc. for their leasehold at San Antonio International Airport to extend the term an additional three years with two one-year optional extensions in exchange for the demolition of two T-hangars and the erection of a security fence. With the extension, the term of the lease agreement will expire on October 31, 2019 with the option to extend for two additional one-year periods.

BACKGROUND INFORMATION:

Sierra Victor has been a tenant at the San Antonio International Airport since 1996 through Ordinance No. 84988. The current term of the lease agreement will expire on October 31, 2016.

Sierra Victor and the City would like to extend the term of the agreement for an additional three years with two one-year optional extensions contingent upon tenant completing the agreed upon work - the demolition of two T-hangars, buildings 1400 and 1401, and the erection of a security fence - within 180 days of the date the Transportation Security Administration approves the modification to the Airport Security Plan required to move the fencing. Failure to complete all of the work within the 180 days will result in the term of the lease agreement expiring on the October 31, 2016.

ISSUE:

City Council authorization is required for amendments to lease agreements.

ALTERNATIVES:

City Council could elect to not approve the amendment to the lease agreement. However, both Sierra Victor and the Aviation Department have agreed to the extension of the term contingent upon the work completing within the agreed-upon time period.

FISCAL IMPACT:

If the work is completed and the extension authorized, the leasehold will generate \$50,381.16 per year until August 1, 2019 when the rental rate will be subject to Producer Price Index. All funds will be deposited into the Airport Operating and Maintenance Funds.

RECOMMENDATION:

Staff recommends the authorization of an amendment to the lease agreement with Sierra Victor at the San Antonio International Airport.