



City of San Antonio

Agenda Memorandum

File Number: 13-1052

Agenda Item Number: 28.

Agenda Date: 12/5/2013

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amendment to a Concessions Agreement with Generations Federal Credit Union at the San Antonio International Airport

SUMMARY:

This Ordinance authorizes an amendment to the concession agreement with Generations Federal Credit Union (GFCU) to allow the closure of the branch location in Terminal A of the San Antonio International Airport. GFCU has requested the closure as it was the only location operating at a loss. GFCU has agreed to continue to pay the Minimal Annual Guarantee (MAG) rent amount of \$6,000.00 through the end of the original term, May 31, 2015. The bank will also continue to operate and maintain two automated teller machines (ATM) in the terminals through the end of the term.

BACKGROUND INFORMATION:

On March 3, 2008 City Council authorized a seven-year concessions agreement with GFCU to operate a full-service financial institution in Terminal A at the San Antonio International Airport. The branch has served airport clients, employees, concessionaires and the traveling public.

In October 2013, the City received a Letter of Intent by GFCU requesting an amendment to the lease agreement in order to close the branch on or before January 1, 2014. As part of the termination, GFCU agrees to continue:

- to pay branch location rental fees of \$500.00 per month until the original lease agreement end date of May 31, 2015;
- to pay 40% of Foreign Transactions for ATM space rental; and,

- to operate both ATMs in Terminals A and B until the original lease agreement end date of May 31, 2015, paying the same rental fees as stated in the original lease agreement.

The City has performed its due diligence and found GFCU to be current on payments. The City will begin solicitations for a new tenant pending the approval of City Council.

ISSUE:

City Council approval is required for amendments to lease agreements.

ALTERNATIVES:

City Council could elect to not authorize the amendment to the lease agreement. GFCU has requested the amendment in order to close its only branch location operating at a continued loss and agreed to continue to pay the MAG rent through the term of the original lease agreement.

FISCAL IMPACT:

There is no fiscal impact as GFCU has agreed to pay MAG through the end of its term.

RECOMMENDATION:

Staff recommends the authorization of the amendment to the lease agreement with GFCU to allow the closure of its bank branch location in Terminal A of the San Antonio International Airport and the continuation of its MAG payments through May 31, 2015.