



City of San Antonio

Agenda Memorandum

File Number:13-1208

Agenda Item Number: 24.

Agenda Date: 12/19/2013

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease Agreement with Aero Nev LLC at San Antonio International Airport

SUMMARY:

This Ordinance authorizes a lease agreement with Aero Nev LLC for 28,181 square feet of ground space and 14,037.50 square feet of hangar space at San Antonio International Airport. The lease agreement will generate \$56,613.53 annually.

BACKGROUND INFORMATION:

Aero Nev LLC is a corporate aircraft maintenance and storage facility for multiple local corporate aircraft. AeroNev has operated at San Antonio International Airport since 1993. AeroNev's leasehold includes 28,181 square feet of ground space and a 14,037.50 square foot hangar located at 935 Paul Wilkins.

The term of the lease agreement is for five years with the option to extend for an additional five years.

ISSUE:

Approval of this lease Agreement is consistent with City policy to lease City-owned property to generate revenue.

ALTERNATIVES:

City Council could direct Aviation staff to seek a new tenant for this leasehold; however, this could result in the loss of \$56,613.53 in annual revenue until a new lease is negotiated. Additionally, the tenant would have to cease its operation and displace current corporate sublessees.

FISCAL IMPACT:

Under the terms of this new Lease Agreement, Aero Nev will pay an annual hangar rental of \$3.23 per square foot per year and ground rental of \$0.40 per square foot per year. The annual amount of \$56,613.53 will be deposited into the Airport Operating and Maintenance fund.

Leased Premises	Sq. Ft.	Annual Rate per Sq. Ft	Annual Rental
Hangar	14,037.5	\$3.23	\$45,341.13
Ground	28,181	\$0.40	\$11,272.40
Total			\$56,613.53

RECOMMENDATION:

Staff recommends approval of the Lease Agreement with Aero Nev.