



# City of San Antonio

## Agenda Memorandum

**File Number:** 18-3443

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**Agenda Item Number:** 13.

**Agenda Date:** 6/7/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Russell J. Handy

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Lease Agreement with Falcon Inspections, LLC at Stinson Municipal Airport

### **SUMMARY:**

This Ordinance authorizes a lease agreement with Falcon Inspections, LLC for Building 660A and 36,353 square feet of ground space at Stinson Municipal Airport (Stinson). The initial term of the agreement is for three years with the option to extend for two additional one-year terms. The lease agreement will generate annual revenue in the amount of \$18,893.56.

### **BACKGROUND INFORMATION:**

Falcon Inspection, LLC is an aerial monitoring company that provides aerial gas leak detection. They use their airplanes or helicopters rigged with sensors and cameras to survey pipelines to provide property/pipeline owners with information regarding potential pipeline leaks and external threats, as well as other visual data as needed.

In 2016, Falcon Inspection, LLC began operating at Stinson, initially under a short term lease agreement for Building 660B located at 1110 99<sup>th</sup> Street and 36,833 square feet of ground space. In 2018, the tenant asked to move to a larger building, Building 660A/Hangar A. This lease agreement includes Building 660A, which is 12,373 square feet, as well as 36,353 square feet of ground ramp and parking space.

The term of this agreement will commence on July 1, 2018 with an initial three-year term and the option to extend for two additional one-year terms.

**ISSUE:**

City Council approval is required for lease agreements with terms greater than six months.

**ALTERNATIVES:**

City Council could elect to not approve this lease agreement. However, if this lease agreement is not approved, Stinson would lose a new tenant and Falcon Inspections would have to find another location for their operations.

**FISCAL IMPACT:**

The lease agreement will generate \$24,382.33 in revenues that will be deposited into the Airport Operating and Maintenance Fund. The rental rates were determined through an appraisal completed by Debra Runyan on June 30, 2015.

<b>Leased Premises</b>	<b>Square Footage (Sq Ft)</b>	<b>Annual Rate per Sq Ft</b>	<b>Annual Rental</b>
Building 660A/Hangar 18	12,373	\$0.91	\$11,259.43
Ground Ramp & Parking Space	36,353	\$0.21	\$7,634.13
			<b>\$18,893.56</b>

**RECOMMENDATION:**

Staff recommends approval of a lease agreement with Falcon Inspection, LLC at Stinson Municipal Airport.