



# City of San Antonio

## Agenda Memorandum

**File Number:** 14-1547

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**Agenda Item Number:** 16.

**Agenda Date:** 8/7/2014

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Frank Miller

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Lease Agreement with Federal Express Corporation at the San Antonio International Airport

### **SUMMARY:**

This Ordinance authorizes a five-year lease agreement with Federal Express Corporation (FedEx) at the San Antonio International Airport for 30,300 square feet of cargo, warehouse and office space and 285,029 square feet of apron space. The agreement will generate \$482,287.44 in annual revenue. FedEx will also pay \$600.00 annual for the rental of the Automated Access Control System (AACS) Auto Access Program.

### **BACKGROUND INFORMATION:**

FedEx has been a tenant at San Antonio International Airport for over 30 years. The firm provides customers and businesses worldwide with transportation and business services such as freight and cargo operations throughout the world.

FedEx would like to continue to lease the premises at 10311 Wetmore Road. Their leasehold includes 30,300 square feet of cargo, warehouse and office space and 285,029 square feet of apron space.

### **ISSUE:**

City Council authorization is required for lease agreements.

**ALTERNATIVES:**

City Council could elect to not authorize the lease agreement with FedEx at San Antonio International Airport. However, that action would result in FedEx having to locate another location for their operations and could result in the loss of \$482,287.44 in annual revenue.

**FISCAL IMPACT:**

The lease agreement generates \$482,887.44 in annual revenue and will be deposited into the Airport Operating and Maintenance Fund.

	<b>Square Foot</b>	<b>Annual Rate</b>	<b>Annual Rental</b>
<b>Cargo, Building, Warehouse</b>	30,300	\$5.72	\$173,316.00
<b>Apron Space</b>	285,029	\$1.084	\$308,971.44
<b>AACS Program</b>	0	\$600	\$600
<b>Total</b>			<b>\$482,887.44</b>

**RECOMMENDATION:**

Staff recommends authorization of a lease agreement with FedEx at the San Antonio International Airport.