



City of San Antonio

Agenda Memorandum

File Number: 15-4269

Agenda Item Number: 11.

Agenda Date: 8/20/2015

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease Agreement with General Services Administration for the Transportation Security Administration at the San Antonio International Airport

SUMMARY:

This ordinance authorizes the approval of a five-year lease agreement with the United States Government through the General Services Administration (GSA) for the Transportation Security Administration (TSA) for 4,545 square feet in Terminal A, 2,699 square feet in Terminal B and 277 square feet in the Baggage Handling (BHS) area at the San Antonio International Airport. Under the terms of the lease agreement, GSA/TSA will pay an annual rate of \$89.90 per square foot during the first year and generate \$651,235.60 in revenue. The annual rate will increase each year by three percent. In addition, TSA has requested eight parking spaces for an annual rate of \$5,280.00 per year. The lease agreement will become effective September 1, 2015 and will have a five-year term which will expire on August 31, 2020. Over the term, the agreement will generate a total amount of \$3,484,033.64 in revenue.

BACKGROUND INFORMATION:

The Aviation and Transportation Security Act of 2001 requires the TSA to use certain airport space and facilities as necessary security checkpoints for passenger and baggage screening to provide a secure air travel system. In conjunction with its mission, TSA has ancillary space needs for offices and break rooms to support its daily operations. The GSA oversees the lease agreements for federal departments, including the Department of Homeland Security of which TSA is a division.

The lease agreement will provide TSA with 4,545 square feet of space for offices and a break room in Terminal A; 2,699 square feet of space for offices, break room and storage in Terminal B; and, 277 square feet of space in the BHS area for a break room. The agreement also includes eight parking spaces. As part of the agreement, the City will perform finish-out improvements that are estimated at \$163,060.06, which will be reimbursed by TSA in one lump sum payment.

ISSUE:

TSA provides a crucial service required by federal law. Approval of the lease agreement is consistent with the City's policy of requiring lease agreements to be approved by City Council.

ALTERNATIVES:

City Council could choose not to approve this lease agreement; however, the services TSA provides are required by federal law. Staff recommends City Council approve this lease agreement that have been negotiated and agreed up on by GSA/TSA and brought forward by Staff.

FISCAL IMPACT:

Under the terms of the lease agreement, GSA/TSA will pay an annual rate of \$89.90 per square foot during the first year and generate \$651,235.60 in revenue. The annual rate will increase each year by three percent. Over the five year term, the agreement will generate \$3,457,633.64 for the rental of office space to be deposited into the Airport Operating and Maintenance Fund.

	Area per square foot	Annual Rate per square foot (For First Year)	Annual Rent (For First Year)
Terminal A Premises	4,545	\$89.90	\$408,595.50
Terminal B Premises	2,699	\$89.90	\$217,737.80
BHS Break Room	277	\$89.90	\$24,902.30
	7,521		\$651,235.60

In addition, TSA has requested eight parking spaces at a rate of \$5,280.00 per year. This funding will also be deposited into the Airport Operating and Maintenance Fund.

As part of the agreement, the City will perform finish-out improvements that are estimated at \$163,060.06, which will be reimbursed by TSA in one lump sum payment.

RECOMMENDATION:

Staff recommends approval of a five-year lease agreement with the United States Government through GSA for the TSA for 7,521 square feet of office space and eight parking spaces at the San Antonio International Airport