



City of San Antonio

Legislation Details (With Text)

File #: 15-2756

Type: Real Property Lease

In control: City Council A Session

On agenda: 5/14/2015

Title: An Ordinance authorizing a lease agreement with The Fidelia Limited Partnership for one building, two hangars and ground space at the San Antonio International Airport and generating \$385,138.15 in annual revenue. [Ed Belmares, Assistant City Manager; Frank Miller, Director, Aviation]

Sponsors:

Indexes: Aviation Lease Agreements

Code sections:

Attachments: 1. Lease Agreement, 2. Signed DCD, 3. Draft Ordinance, 4. Ordinance 2015-05-14-0411

Date	Ver.	Action By	Action	Result
5/14/2015	1	City Council A Session	Motion to Approve	Pass

DEPARTMENT: Aviation

DEPARTMENT HEAD: Frank Miller

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease Agreement with The Fidelia Limited Partnership dba Hallmark at the San Antonio International Airport

SUMMARY:

This Ordinance authorizes a lease agreement with The Fidelia Limited Partnership dba Hallmark at 8901 Wetmore Road at the San Antonio International Airport. The leasehold includes Building 1540, Hangar 1541, Hangar 1542 and ground space and will generate \$385,138.15 in annual revenue. The term of the lease agreement is ten years and has the option to extend an additional 10 years following \$1,000,000.00 in capital investment by Hallmark.

BACKGROUND INFORMATION:

Hallmark has two universities in San Antonio including an aeronautics campus at 8901 Wetmore Road. The school provides students with an opportunity to obtain a Bachelor's in Aviation Maintenance Management and Associate Degrees. The leasehold includes a 10,665 square foot Building 1540, 31,600 square foot Hangar

1541 and 24,000 square foot Hangar 1542. It also includes 394,109 square feet of ground space.

The term of the agreement is 10 years. The lease agreement can be extended for an additional 10 years if Hallmark expends \$1,000,000.00 in capital investments during the original lease term.

ISSUE:

City Council approval is required to authorize lease agreements.

ALTERNATIVES:

City Council could elect to not authorize the lease agreement with Hallmark; however, the firm requires the building, hangars and ground space for their operations.

FISCAL IMPACT:

The lease agreement will generate \$385,138.15 annually, which will be deposited into the Airport Operating and Maintenance Fund. The rental amount will increase 15% every five years.

	Square Footage	Rental Rate per Square Foot	Annual Rental
Building 1540	10,665	\$4.48	\$47,800.00
Hangar 1541	31,600	3.52	\$111,100.00
Hangar 1542	24,000	3.68	\$88,300.00
Ground Space	394,109	0.35	\$137,938.15
			\$385,138.15

RECOMMENDATION:

Staff recommends authorizing a lease agreement with The Fidelia Limited Partnership dba Hallmark.