



City of San Antonio

Agenda Memorandum

File Number:16-1972

Agenda Item Number: 8.

Agenda Date: 4/7/2016

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Noel T. Jones

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amendment to the Lease Agreement with HH Aviation, LLC at the San Antonio International Airport

SUMMARY:

The Ordinance authorizes an amendment to a lease agreement with HH Aviation, LLC at the San Antonio International Airport to extend the lease agreement for an additional five years. The term for the agreement expires on April 30, 2016 and the additional five years will extend its expiration to April 30, 2021. The amendment is expected to generate \$29,294.50 in annual revenue for the Aviation Operating and Maintenance Fund.

BACKGROUND INFORMATION:

HH Aviation is the corporate aviation division of HOLT CAT that operates out of the Holt Hangar at San Antonio International Airport. Holt is a San Antonio-based company and the largest Caterpillar heavy equipment and engine dealership in the United States with locations throughout Texas. HH Aviation has operated at San Antonio International Airport for almost 30 years.

The original lease agreement was approved by City Council on June 9, 2011. The amendment to the lease agreement includes 6,018 square feet of office/warehouse space (Building 1120) and 28,499 square feet of ground space. The ground space includes 1,400 square feet for fuel facility.

ISSUE:

City Council approval is required for lease agreements.

ALTERNATIVES:

City Council could elect to not approve this lease agreement. However, by not approving the lease agreement, HH Aviation would have to identify a new location for their operations and the Airport would lose \$29,294.50 in annual revenue.

FISCAL IMPACT:

Under the terms of the lease agreement, the lease agreement will generate \$29,294.50 in revenue that will be deposited into the Airport Operating and Maintenance Fund.

Leased Premises	Sq. Ft.	Annual Rate/ Sq. Ft.	Annual Rental
Ground Space	28,499	\$0.50	\$14,249.50
Office/ Warehouse (Building 1120)	6,018	\$2.50	\$15,045.00
Total			\$29,294.50

RECOMMENDATION:

Staff recommends approval of the amendment to the lease agreement with HH Aviation, LLC.