



City of San Antonio

Agenda Memorandum

File Number:16-3609

Agenda Item Number: 23.

Agenda Date: 8/4/2016

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Noel T. Jones

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Design Concept for the Gas Station at the San Antonio International Airport

SUMMARY:

This Ordinance authorizes the approval of the design concept for the gas station complex at the corner of Northwestern Blvd and Airport Blvd at the San Antonio International Airport. City Council approved the lease and concession agreement with Northwest Petroleum, LLC on May 12, 2016, subject to their approval of the design concept.

BACKGROUND INFORMATION:

On May 12, 2016, the Aviation Department presented to City Council with the lease and concession agreement with Northwest Petroleum, LP for a Phillips 66 gas station, Q Mart convenience store and Burger King fast food restaurant at the San Antonio International Airport. Staff provided information on the agreement for the gas station facility which will be located on the Airport at the northeast corner of the intersection of Airport Blvd. and Loop 410. Northwest Petroleum, LP will design and construct the building, which is expected to take 18 months.

At the May meeting, City Council authorized the approval of the agreement with Northwest Petroleum, subject to the approval of the design concept of the facility.

ISSUE:

This Council action will present the design concept of the facility to allow the project to move forward with design and construction.

ALTERNATIVES:

City Council could elect to not approve the design concept which would result in the project being redesigned which may or may not have an effect on the terms of the lease and concession agreement and require an amendment to the agreement.

FISCAL IMPACT:

There is no fiscal impact with the approval of the design concept of the gas station complex. The lease and concession agreement will generate a ground rental rate of \$81,889.00 annually for the first five years of operation, which will then increase 15% every five years of the lease agreement, and a minimum annual guarantee in the amount of \$50,000.00. These funds will be deposited into the Airport Operations and Maintenance Fund.

RECOMMENDATION:

Staff recommends approval of the design concept for the gas station complex at the San Antonio International Airport.