



City of San Antonio

Agenda Memorandum

File Number:16-4266

Agenda Item Number: 16.

Agenda Date: 9/1/2016

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Noel T. Jones

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease Agreement with Falcon Inspections, LLC

SUMMARY:

This Ordinance authorizes a lease agreement with Falcon Inspections, LLC for Building 660B and 36,833 square feet of ground space at Stinson Municipal Airport. The term of the agreement is for five year with the option to extend for five additional years. The lease agreement will generate annual revenue in the amount of \$24,382.33.

BACKGROUND INFORMATION:

Falcon Inspection, LLC has been operating at Stinson under a six month lease agreement and would like to enter into a longer term lease agreement. Falcon Inspection, LLC is an aerial monitoring company that provides aerial gas leak detection. They use their airplanes or helicopters rigged with sensors and cameras to survey pipelines to provide property/pipeline owners with information regarding potential pipeline leaks and external threats, as well as other visual data as needed.

The leasehold includes Building 660B located at 1110 99th Street and 36,833 square feet of ground space. The initial term of the lease agreement is for five years with an option to renew for an additional five years.

ISSUE:

City Council approval is required for lease agreements.

ALTERNATIVES:

City Council could elect to not approve this lease agreement. However, if this lease agreement is not approved, Stinson would lose a new tenant and Falcon Inspections would have to find another location for their operations.

FISCAL IMPACT:

The lease agreement will generate \$24,382.33 in revenues that will be deposited into the Airport Operating and Maintenance Fund.

Leased Premises	Square Footage	Annual Rate per Square Footage	Annual Rental
Building 660B	8,855	\$1.88	\$16,647.40
Ground Space	36,833	\$0.21	\$7,734.98
			\$24,382.33

If the term is extended beyond the initial five years, the rental rate will increase fifteen percent at the beginning of the sixth lease year and every five years thereafter.

RECOMMENDATION:

Staff recommends approval of a lease agreement with Falcon Inspection, LLC at Stinson Municipal Airport.