



# City of San Antonio

## Agenda Memorandum

**File Number:**18-4135

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**Agenda Item Number:** 14.

**Agenda Date:** 8/2/2018

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation

**DEPARTMENT HEAD:** Russell J. Handy

**COUNCIL DISTRICTS IMPACTED:** Citywide

### **SUBJECT:**

Lease agreement with Air Evac EMS, Inc. at Stinson Municipal Airport

### **SUMMARY:**

This Ordinance authorizes a lease agreement with Air Evac EMS, Inc. (Air Evac) at Stinson Municipal Airport (Stinson) for Hangar 4 and 50,576 square feet of ground space. The initial term of the agreement is one year with the option to renew for two, additional one-year periods and the lease agreement will generate \$35,223.36 in annual revenue.

### **BACKGROUND INFORMATION:**

In February 2018, the Aviation Director authorized a six month lease agreement with Air Evac at Stinson for Hangar 4 (9,180 square foot) and 50,576 square feet of ground space while a longer lease agreement could be negotiated.

Air Evac is the largest independently-owned and operated membership-supported air ambulance service in the United States. As part of the terms of the agreement, Air Evac will utilize the leasehold for flight operations and the maintenance and storage of helicopters.

The agreement will begin on September 1, 2018 for an initial term of one year with the option to extend for two additional one-year terms.

The rental rates were calculated utilizing an appraisal completed by Eckmann Groll Inc. in July 2015. The

rental rates for the lease agreement were calculated as follows: \$2.68 per square foot for Hangar 4 and \$0.21 per square foot for ground space.

#### **ISSUE:**

This Ordinance authorizes a lease agreement with Air Evac at Stinson for Hangar 4 and 50,576 square feet of ground space for an initial term of one year with the option to renew for two, additional one-year periods.

City Council authorization is required for lease agreements with a term greater than six months.

#### **ALTERNATIVES:**

City Council could elect to not approve this lease agreement. However, if this lease agreement is not approved, Air Evac would have to identify another location for operations and Stinson would not generate \$35,223.36 in annual revenue.

#### **FISCAL IMPACT:**

The lease agreement will generate \$35,223.36 in annual revenues that will be deposited into the Airport Operating and Maintenance Fund. The rental rates were determined through an appraisal completed by Eckmann Groll, Inc. in July 2015.

<b>Leased Premises</b>	<b>Square Footage (Sq Ft)</b>	<b>Annual Rate per Sq Ft</b>	<b>Annual Rental</b>
Hangar 4	9,180	\$2.68	\$24,602.40
Ground Space	50,576	\$0.21	\$10,620.96
			<b>\$35,223.36</b>

#### **RECOMMENDATION:**

Staff recommends authorizing a lease agreement with Air Evac EMS, Inc. at the Stinson Municipal Airport.