



# City of San Antonio

## Agenda Memorandum

**File Number:**18-6522

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**Agenda Item Number:** 16.

**Agenda Date:** 1/17/2019

**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 Alamo Helicopter Tours San Antonio LLC at Stinson Municipal Airport

### **SUMMARY:**

This ordinance authorizes a lease agreement with Alamo Helicopter Tours San Antonio, LLC for Suites 103 and 104 in the terminal of Stinson Municipal Airport for a term of three years with the option to extend for two, one-year periods. The rental of these two suites will generate \$7,506.70 in annual revenue for deposit into the Aviation Operating and Maintenance Fund.

### **BACKGROUND INFORMATION:**

Alamo Helicopter Tours has been a tenant in the historic terminal building of Stinson Municipal Airport since April 2008. The company provides helicopter tours around the San Antonio area from the Missions and to the Hill Country. Alamo Helicopter Tours is also approved to provide helicopter classroom instruction, sell pilot supplies and other aviation-related purposes as approved by the Aviation Director.

The firm leases two suites with a total square footage of 570 square feet. The current lease agreement expires on February 28, 2019. Alamo Helicopter Tours would like to continue to lease space at Stinson. The rental of these two suites will generate \$7,506.70 in annual revenue for deposit into the Aviation Operating and Maintenance Fund. The rental rate was determined by the Stinson Terminal Appraisal completed by Eckmann Groll in 2010. The lease agreement will commence on March 1, 2019 for an initial term of three years with the option to extend for two additional one-year terms.

**ISSUE:**

City Council approval is required for lease agreements with terms greater than six months.

**ALTERNATIVES:**

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

**FISCAL IMPACT:**

This lease agreement will generate \$7,506.70 annually which will be deposited in the Airport Operating and Maintenance Fund. The rental rate was determined by the Stinson Terminal Appraisal completed by Eckmann Groll in 2010. This amount includes the Common Area Maintenance (CAM) Fee which all tenants of the terminal building contribute to for custodial and similar services. The annual CAM fee is subject to adjustment each October 1.

	Area (Sq Ft)	Annual Rate/ Sq. Ft	Annual Rental
Suite 104	416	\$12.00	\$4,992.00
Suite 103	154	\$10.00	\$1,540.00
Common Area Maintenance	570 (total)	\$1.71	\$974.70

**RECOMMENDATION:**

Staff recommends authorization of a lease agreement with Alamo Helicopter Tours at Stinson Municipal Airport.