



City of San Antonio

Agenda Memorandum

File Number:19-1119

Agenda Item Number: 17.

Agenda Date: 1/17/2019

In Control: City Council A Session

DEPARTMENT: Aviation

DEPARTMENT HEAD: Russell J. Handy

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Amendment to the Lease Agreement with Avis Rent A Car System, LLC

SUMMARY:

This Ordinance authorizes an amendment to the lease agreement with Avis Rent A Car System, LLC to extend the term for three years for 43,406 square feet of ground space along Jones Maltsberger Road with a legal description of Lot 2, Block 1, NCB 8645, North Loop Estates at the San Antonio International Airport. The rental firm would like to continue to use this space as motor vehicle storage. The amendment will generate \$31,595.40 in annual revenue and will be deposited in the Airport Operating and Maintenance Fund.

BACKGROUND INFORMATION:

In 2008, City Council authorized a lease agreement with Avis for two buildings and ground space at 9215 John Saunders for their rental car operations at the airport as well as 43,406 square feet of ground space on Jones Maltsberger Road which does not have an address since it does not have a structure on it. Avis agreed to return the John Saunders leasehold to the City a year after the consolidated rental car facility began operations. The two buildings and associated ground space were returned to the City in October 2018, but Avis requested to continue to lease 43,406 square feet of fenced ground space for vehicle storage for a period of three years to January 16, 2022.

ISSUE:

This Ordinance authorizes an amendment to the lease agreement with Avis to extend the term for three years for 43,406 square feet of ground space on Jones Maltsberger Road at the San Antonio International Airport for motor vehicle storage. The amendment will generate \$31,595.40 in annual revenue and the rental rate was calculated utilizing the 2018 Ground Rental Study performed by Eckmann Groll, Inc. This revenue will be deposited in the Airport Operating and Maintenance Fund.

City Council authorization is required for lease agreements or amendments over six months.

ALTERNATIVES:

City Council could elect to not approve the amendment with Avis. However, this space is designed as a parking space and Avis would like to continue to use it as such. The three year extension will allow the airport system to generate revenue on the space while longer term plans for the space are explored.

FISCAL IMPACT:

This amendment will generate \$31,595.40 in annual rental rate for the 43,406 square feet of fenced ground space. The rental rate is \$0.73 per square foot. This revenue will be deposited in the Aviation Operating and Maintenance Fund.

RECOMMENDATION:

Staff recommends the approval of an amendment with Avis for 43,406 square feet of ground space on Jones Maltsberger Road at the San Antonio International Airport.