

AN ORDINANCE **97701**

AUTHORIZING THE EXECUTION OF A NEW TWENTY-FIVE (25) YEAR LEASE AGREEMENT WITH AEROSKY, L.L.C. AT SAN ANTONIO INTERNATIONAL AIRPORT; AUTHORIZING THE TERMINATION OF LEASE NO. 122138; AUTHORIZING THE ULTIMATE LEASE OF APPROXIMATELY 645,044 SQUARE FEET OF GROUND SPACE AND TWO (2) BUILDINGS SITUATED THEREUPON FOR AN ANNUAL GROUND RENTAL OF \$193,513.20 AND ANNUAL BUILDING RENTAL OF \$30,405.44; AUTHORIZING RENTAL CREDITS AS REIMBURSEMENT FOR APPROVED COSTS FOR CERTAIN INFRASTRUCTURE IMPROVEMENTS PERFORMED BY AEROSKY; AND DECLARING BUILDING 1800 (HANGAR 4), BUILDING 1850 (HANGAR 3), AND BUILDING 1805 (OFFICES) AS EXCESS AND SURPLUS TO THE NEEDS OF THE CITY AND AUTHORIZING THE DEMOLITION OF SUCH BUILDINGS.

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WHEREAS, Lease No. 122138 for lease of ground and building space with BERNARD FOURRIER (Lessee) was executed and authorized pursuant to Ordinance No. 82300 passed and approved on May 31, 1995 for a term ending on May 31, 2000; and

WHEREAS, Lease No. 122138 was amended on or about February 12, 1999 to adjust the total square footage by adding 47,575 square feet of additional ground space, as result (Lessee now leases from City approximately 186,952 square feet of land, together with the buildings and other improvements located thereon, at the San Antonio International Airport); and

WHEREAS, on February 29, 2000, Lessee exercised his renewal option and the term of Lease No. 122138 is now scheduled to expire on May 31, 2005; and

WHEREAS, Lessee anticipates a significant increase in the demand for its services and will need additional ramp space and hangar and other facilities; and

WHEREAS, Lessee has requested that Lease No. 122138 be terminated and a New Lease Agreement executed for a period of twenty-five (25) years; and

WHEREAS, Lessee's multi-phased expansion plan calls for the construction of a new $\pm 87,000$ square foot hangar and $\pm 30,000$ square feet of office/shop/storage buildings; and

WHEREAS, Lessee's multi-phased construction plan calls for the addition of $\pm 179,785$ square feet of ground space in Phase I; and

WHEREAS, Phase II calls for the addition of $\pm 110,379$ square feet of ground space; and

WHEREAS, Phase III calls for the addition of ±118,226 square feet of ground space; and

WHEREAS, Lessee hopes to complete the multi-phased plan in approximately two (2) years; and

WHEREAS, Lessee intends to increase its workload to require over 200 employees with a total economic impact of over \$12 million in total annual salaries; and

WHEREAS, City shall use rent credits to pay the approved cost of the relocation and/or upgrade of existing utilities; and

WHEREAS, the City, subject to concurrence by the Historical Design and Review Commission, shall declare Building 1800 (Hangar 4), Building 1850 (Hangar 3), and Building 1805 (Offices) as excess, and allow Lessee to demolish and remove such City-owned hangars and office building; and

WHEREAS, it is now necessary to implement a plan whereby City and AEROSKY can focus on immediate actions and infrastructure improvements necessary to implement and accommodate the multi-phased plan, to enter a new TWENTY-FIVE (25) year lease, and to terminate Lease No. 122138 to reflect the above actions; NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager or her authorized delegate is hereby authorized to execute the Lease Agreement attached hereto and incorporated herein by reference for all purposes as Attachment I.

SECTION 2. The term of the Lease Agreement shall be for twenty-five (25) years.

SECTION 3. The proceeds of the agreement shall be deposited into Fund No. 5 1-00100 entitled "Airports Funds," Index Code 03 1088, entitled "Airport Ground Rental - Comm Ind Area" and Fund No. 5 1-00100 entitled "Airport Funds," Index Code 03 1062, entitled "Airport Building Rentals - Comm Ind Area."

SECTION 4. AEROSKY, L.L.C. shall receive rental credits as reimbursement for approved costs paid by AEROSKY, L.L.C. for the relocation and/or upgrade of affected Southwestern Bell Telephone cables, Federal Aviation Administration RTR cables, sanitary sewer lines, gas pipeline, overhead electric power lines, and associated utility infrastructure.

SECTION 5. Subject to the concurrence of the Historical Design & Review Commission Building 1800 (Hangar 4), Building 1850 (Hangar 3), and Building 1805 (offices) shall be declared excess to the needs of the City, and AEROSKY, L.L.C. shall demolish and remove such City-owned hangars and office building.

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Item No. 4A

SECTION 6. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocation to specific index codes and fund numbers as necessary to carry out the purpose of this Ordinance.

SECTION 7. This Ordinance shall become effective on the tenth (10th) day after passage hereof.

PASSED AND APPROVED this 29th day of MAY, 2003.


M A Y O R
EDWARD D. GANZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney