

AN ORDINANCE 2006 - 01 - 19 - 0085

AUTHORIZING THE EXECUTION OF A LEASE BETWEEN THE CITY OF SAN ANTONIO AND NATIONAL FLIGHT SERVICES, INC. FOR 11,988 SQUARE FEET OF UNDEVELOPED, NON-AIRFIELD ACCESS, GROUND SPACE LOCATED AT SAN ANTONIO INTERNATIONAL AIRPORT FOR A TERM OF FIVE (5) YEARS, COMMENCING DECEMBER 15, 2005, FOR A TOTAL YEARLY RENTAL OF \$3,398.60.

* * * * *

WHEREAS, National Flight Services, Inc. has been a tenant at San Antonio International Airport (the "Airport" since 1995; and

WHEREAS, at their facility on Golden Road, National Flight Services, Inc., provides comprehensive FAA-approved overhaul, inspection, and repair services for turboprop engines used on many business aviation aircraft and regional airliners; and

WHEREAS, a 11,988 square foot ground space has previously been leased by National Flight at the Airport which space consists of an undeveloped, non-airfield access tract abutting Northeast Entrance Road and is used by the tenant for engine testing; and

WHEREAS, National Flight Service's most recent Lease for the leased premises, expired on December 14, 2005, had a term of five (5) years (expiring December 14, 2005), and since that time it has occupied the premises on a holdover basis, pending the approval of a new Lease Agreement; and

WHEREAS, Lessee has requested that it be allowed to enter into a new five-year Lease, for the use of this ground space; and

WHEREAS, the new five-year lease will update Airport lease provisions, allow the tenant to continue the it's occupancy, and is deemed to be in the best interest of the City; and

WHEREAS, it is necessary to authorize the execution of the attached Lease Agreement for use of the ground space described therein, at the San Antonio International Airport; **NOW THEREFORE:**

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

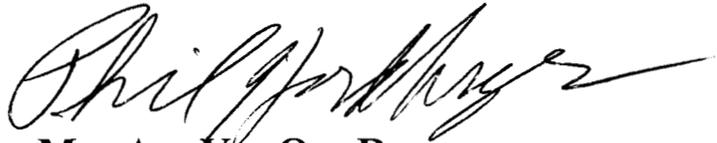
SECTION 1. The City Manager or her designee is authorized to execute the San Antonio International Airport Lease Agreement, which is attached hereto as Attachment 1, with National Flight Service, Inc., for use of the ground space described therein, at the San Antonio International Airport.

SECTION 2. The proceeds from the Lease Agreement will be deposited into SAP Fund No. 51001000, entitled "Airport Operations" Internal Order 233000000006, and General Ledger Account 4409040 entitled "Aviation Ground Rental Non-Aviation."

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall be effective on and after the tenth (10th) day after passage.

PASSED AND APPROVED this 19th day of January, 2006.



M A Y O R

PHIL HARDBERGER

ATTEST: *Lucia M. Viced*
City Clerk

APPROVED AS TO FORM: *M. Zertuche*
for City Attorney

Agenda Voting Results

Name: 13.

Date: 01/19/06

Time: 02:55:47 PM

Vote Type: Multiple selection

Description: An Ordinance authorizing the execution of a Lease Agreement with National Flight Services, Inc. for 11,988 square feet of undeveloped, non-airfield access, ground space located at San Antonio International Airport for a term of five (5) years, commencing December 15, 2005, for a total yearly rental of \$3,398.60. [Presented by Mark H. Webb, Interim Director, Aviation; Roland A. Lozano, Assistant to the City Manager]

Notes: Motioned: RICHARD PEREZ Seconded: ART A. HALL Notes:

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10		x		
MAYOR PHIL HARDBERGER	MAYOR		x		

ATTACHMENT 1

SAN ANTONIO INTERNATIONAL AIRPORT LEASE

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

THIS AGREEMENT, (hereinafter called the "LEASE AGREEMENT"), entered into by and between the City of San Antonio, a Texas Municipal Corporation, acting by and through its City Manager, pursuant to Ordinance No. _____ adopted on _____, (hereinafter called "LESSOR" or "CITY"), and NATIONAL FLIGHT SERVICES, INC., a private corporation chartered under the laws of Ohio, acting by and through its designated officers pursuant to its by-laws or a resolution of its Board of Directors (hereinafter called "LESSEE"),

WITNESSETH:

1. DESCRIPTION OF PREMISES DEMISED

1.1 Lessor, for and in consideration of the rents, covenants and promises herein contained to be kept, performed and observed by Lessee, does hereby demise and lease unto Lessee and Lessee does hereby accept from Lessor the two tracts of unplatted property: **Tract A**, containing .152 Acre (6,648 square feet) of land and **Tract B**, containing .122 Acre (5,340 square feet) of land, contiguous with the north line of the San Antonio International Airport, Unit 7, San Antonio, Bexar County, Texas as recorded in Volume 9525 Pages 156-159 of the Deed and Plat Records of Bexar County, Texas as more specifically shown in "Exhibit 2", which is attached hereto and made a part hereof by reference. ("Leased Premises")

2. RENTAL

2.1 Lessee agrees to pay Lessor as rental, monthly in advance (without notice or demand, both of which are expressly waived) for the use and occupancy of the Leased Premises, at the times and in the manner hereinafter provided.

<u>Premises</u>	<u>Sq. Ft.</u>	<u>Rate per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Tract A	6,648	\$0.2835	\$1,884.71	\$157.06
Tract B	5,340	\$0.2835	\$1,513.89	\$126.16

2.2 All rentals and payments that become due and payable by the Lessee shall be made to the City of San Antonio, Office of the Aviation Director, San Antonio International Airport, 9800 Airport Blvd., San Antonio, Bexar County, Texas. All rentals and payments unpaid for thirty (30) days after the date due shall bear interest at the rate of ten (10%) percent per annum commencing on the 30th day date after each such payment was due.

3. TERM

3.1 The term of this Lease Agreement shall be five (5) years. The Lease Agreement shall commence on December 15, 2005 ("Commencement Date"), and shall terminate (unless otherwise earlier terminated under the provisions contained herein) at midnight of the last day of the five (5) year term (December 14, 2010).

3.2 The Leased Premises will at all times during the term of the Lease Agreement and any extension. In the event the term of this Lease shall commence on a day other than the first day of any calendar month or expire on a day other than the last day of a calendar month, then, and in such event, rental installments shall be prorated for the first and or last month as the case may be.

4. USE(S) OF PREMISES

4.1 Lessee shall use the Leased Premises solely in connection with its business engine testing. The Premises shall be used for the purpose of conducting its business of engine testing of turbo prop aircraft. Any other use shall require the advance written approval of the Aviation Director.

5. INDEMNIFICATION

5.1 **LESSEE** covenants and agrees to **FULLY INDEMNIFY** and **HOLD HARMLESS**, the **CITY** and the elected officials, employees, officers, directors, volunteers and representatives of the **CITY**, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to, personal or bodily injury, death and property damage, made upon the **CITY** directly or indirectly arising out of, resulting from or related to **LESSEE's** activities under this **LEASE**, including any acts or omissions of **LESSEE**, any agent, officer, director, representative, employee, consultant or subcontractor of **LESSEE**, and their respective officers, agents, employees, directors and representatives while in the exercise of performance of the rights or duties under this **LEASE**, all without however, the City waiving any governmental immunity available to the **CITY** under Texas Law and without waiving any defenses of the parties under Texas Law. **IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF CITY, THE ELECTED OFFICIALS, EMPLOYEES, OFFICERS, DIRECTORS AND REPRESENTATIVES OF CITY, UNDER THIS LEASE.** The provisions of this **INDEMNITY** are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. **LESSEE** shall promptly advise the **CITY** in writing of any claim or demand against the **CITY** or **LESSEE** known to **LESSEE** related to or arising out of **LESSEE's** activities under this **LEASE** and shall see to the investigation and defense of such claim or demand at **LESSEE's** cost. The **CITY** shall have the right, at its option and at its own expense, to participate in such defense without relieving **LESSEE** of any of its obligations under this paragraph.

5.2 It is the **EXPRESS INTENT** of the parties to this **LEASE**, that the **INDEMNITY** provided for in this section (Section 5), is an **INDEMNITY** extended by **LESSEE** to **INDEMNIFY, PROTECT** and **HOLD HARMLESS**, the **CITY** from the consequences of the **CITY's OWN**

NEGLIGENCE, provided however, that the **INDEMNITY** provided for in this section **SHALL APPLY** only when the **NEGLIGENT ACT** of the **CITY** is a **CONTRIBUTORY CAUSE** of the resultant injury, death, or damage, and shall have no application when the negligent act of the **CITY** is the sole cause of the resultant injury, death, or damage. **LESSEE** further **AGREES TO DEFEND, AT ITS OWN EXPENSE** and **ON BEHALF OF THE CITY AND IN THE NAME OF THE CITY**, any claim or litigation brought against the **CITY** and its elected officials, employees, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this **INDEMNITY** shall apply, as set forth above.

6. INSURANCE

6.1 Prior to approval of this Lease Agreement by the City Council, occupancy of the Leased Premises and the conduct of any business thereupon, Lessee shall furnish original Certificates of Insurance to Lessor, which shall be completed by an agent authorized to bind the named underwriter(s) and their company to the coverages, limits, and termination provisions shown thereon, and which shall furnish and contain all required information referenced or indicated thereon. Lessor shall have no duty to perform under this Lease Agreement until such certificates shall have been delivered to the Lessor, and no officer or employee shall have authority to waive this requirement.

<u>Type</u>	<u>Amount</u>
(1) Worker's Compensation & Employer's Liability	Statutory - \$500,000/\$500,000/\$500,000
(2) Commercial General Liability Aviation Policy to include coverage for the following: (A) Premise/Operations	Combined Single Limit for Bodily Injury and Property Damage of \$10,000,000.00 per occurrence or its equivalent with an aggregate of not less than \$5,000,000.00
* (B) Independent Contractors	
* (C) Personal Injury	
(D) Contractual Liability	
(E) Broad Form Property Damage to include Fire and Legal Liability	
(F) Products/Completed Operations	
(3) Property Insurance for physical damage to the Lessee's improvements and betterments to the leased property	Replacement Cost Coverage Or Eighty Percent (80%) of Actual Cash Value Coverage
(4) Business Automobile Liability (any auto)	Combined Single Limit for Bodily Injury and Property Damage of \$5,000,000.00 per occurrence or its equivalent.
*(5) Plate Glass Coverage for Leased Premises	Replacement Cost Insurance Coverage
*(6) Above Ground and/or Under-Ground Storage Tank Storage Tank Liability	\$10,000,000.00 per claim.
*(7) Aircraft Liability	\$10,000,000.00 per occurrence, combined single limit, written on an occurrence form.
* If Applicable	

6.2 Lessor reserves the right to review the insurance requirements of this section during the effective period of the Lease Agreement and any extension or renewal hereof and to modify insurance coverages and their limits when deemed necessary and prudent by the Lessor's Risk Manager based upon changes in statutory law, court decisions, or circumstances surrounding the Lease Agreement, but in no instance will Lessor allow modification whereupon Lessor may incur increased risk.

6.3 Lessee's financial integrity is of interest to Lessor, therefore, subject to Lessee's right to maintain reasonable deductibles in such amounts as are approved by Lessor, Lessee shall obtain and maintain in full force and effect for the duration of the Lease Agreement, and any extension hereof, at Lessee's sole expense, insurance coverage written by companies authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company and/or otherwise acceptable to Lessor, in the following typed and amounts:

6.4 Lessor shall be entitled, upon request and without expense, to receive copies of the policies and all endorsements thereto as they apply to the limits required by Lessor, and may make a reasonable request for deletion, revision, or modification of particular policy terms, conditions, limitations or exclusions (except where policy provisions are established by law or regulation binding upon either of the parties hereto or the underwriter of any such policies). Upon such request by Lessor, the Lessee shall exercise reasonable efforts to accomplish such changes in policy coverages, and shall pay the cost thereof.

6.5 Lessee agrees that with respect to the above required insurance, all insurance contracts and Certificate(s) of Insurance will contain the following required provisions.

- Name Lessor and its officers, employees, agents and elected representatives as additional insureds (as the interest of each insured may appear), as to all applicable coverage, with the exception of the worker's compensation and employer's liability policy;
- Provide for an endorsement that the "other insurance" clause shall not apply to the City of San Antonio where Lessor is an additional insured shown on the policy;
- Lessee will provide a waiver of subrogation on the workers' compensation coverage in favor of Lessor.

6.6 Lessee shall notify Lessor in the event of any notice of cancellation, non-renewal or material change in coverage and shall give such notices not less than thirty (30) days prior to the change, which notice must be accompanied by a replacement Certificate of Insurance. All notice shall be given to the Lessor by Certified Mail at the following address:

Aviation Director
CITY OF SAN ANTONIO
9800 Airport Blvd.
San Antonio, Texas 78216-9990

6.7 The proceeds for any such insurance, paid on account of fire, explosion or other damage shall be used to defray the cost of repairing, restoring or reconstructing said improvements, as necessary.

6.8 It is expressly understood and agreed that all operations of Lessee under this Lease Agreement between Lessor and Lessee shall be covered by such policies of insurance or self insurance as approved by Lessor's Risk Manager and that all personal property placed in the Leased Premises shall be at the sole risk of Lessee. The procuring of policies of insurance shall not be construed to be a limitation upon Lessee's liability or as a full performance on its part of the indemnification provisions of this contract. Lessee's obligations are notwithstanding said policy of insurance, for the full and total amount of any damage, injury or loss caused by or attributable to its activities conducted at or upon the Airport.

7. PERFORMANCE GUARANTEE

7.1 Lessee shall deliver to the Director on or before the execution of this Lease Agreement and shall keep in force throughout the term hereof either an irrevocable letter of credit in favor of Lessor drawn upon a bank satisfactory to Lessor or a surety bond payable to Lessor. The foregoing shall be in form and content satisfactory to Lessor, shall be conditioned on satisfactory performance of all terms, conditions and covenants contained herein during the term hereof and shall stand as security for payment by Lessee of all valid claims by Lessor hereunder. If a bond shall be delivered, it shall be issued by a sound indemnity company authorized to do business in Texas. The amount of the irrevocable letter of credit or surety bond to be delivered by Lessee to the Director on or before the date of the execution of this Lease Agreement shall be **ONE THOUSAND SEVEN HUNDRED AND NO/100 (\$1,700.00) DOLLARS**. The amount of the irrevocable letter of credit or surety bond shall be adjusted as necessary so that such amount shall at all times equal at least one-half ($\frac{1}{2}$) of the total annual rental payable by Lessee to Lessor hereunder.

8. STANDARD PROVISIONS AND COVENANTS

8.1 The Standard Provisions set forth in Exhibit 1, attached hereto, are incorporated herein and made a part hereof.

9. SPECIAL PROVISIONS

9.1 Lessee shall be authorized to park a fueling truck upon the Leased Premises; provided however, Lessee shall first construct, at its sole expense, a concrete containment parking area sufficient to prevent ground contamination from such fueling truck, on which it will, at all times, park such vehicle.

9.2 In the event that Lessee elects to build such containment parking area, Lessee shall provide engineer stamped plans to Lessor which provide adequate detail and description of the planned modifications, include location, type, and proposed materials and shall secure written approval of such plans from the Director.

9.3 Further, prior to the commencement of construction, Lessee shall procure any and all additional approvals of the plans and specifications required by any federal, state or municipal authorities, agencies, officers and departments having jurisdiction thereof and shall obtain any and all requisite building or construction licenses, permits or approvals. Construction shall comply with applicable building code requirements and with applicable regulations promulgated by any federal, state or municipal agency or department having jurisdiction thereof. Lessee specifically agrees that it shall hold Lessor completely harmless from and against any and all claims, causes of action or liabilities, whether actual or potential, associated with any construction undertaken by Lessee hereunder.

9.4 It is further expressly understood and agreed that any improvements and access thereto constructed by Lessee on the Leased Premises shall be performed in such a manner that shall not cause flowage of surface drainage onto adjacent tracts or interrupt flow to the storm drainage system.

EXECUTED this the ____ day of January, 2006.

ATTEST:

CITY OF SAN ANTONIO, Lessor

By: _____
Sheryl Sculley, City Manager

ATTEST:

NATIONAL FLIGHT SERVICES, INC., Lessee

By: _____
Signature

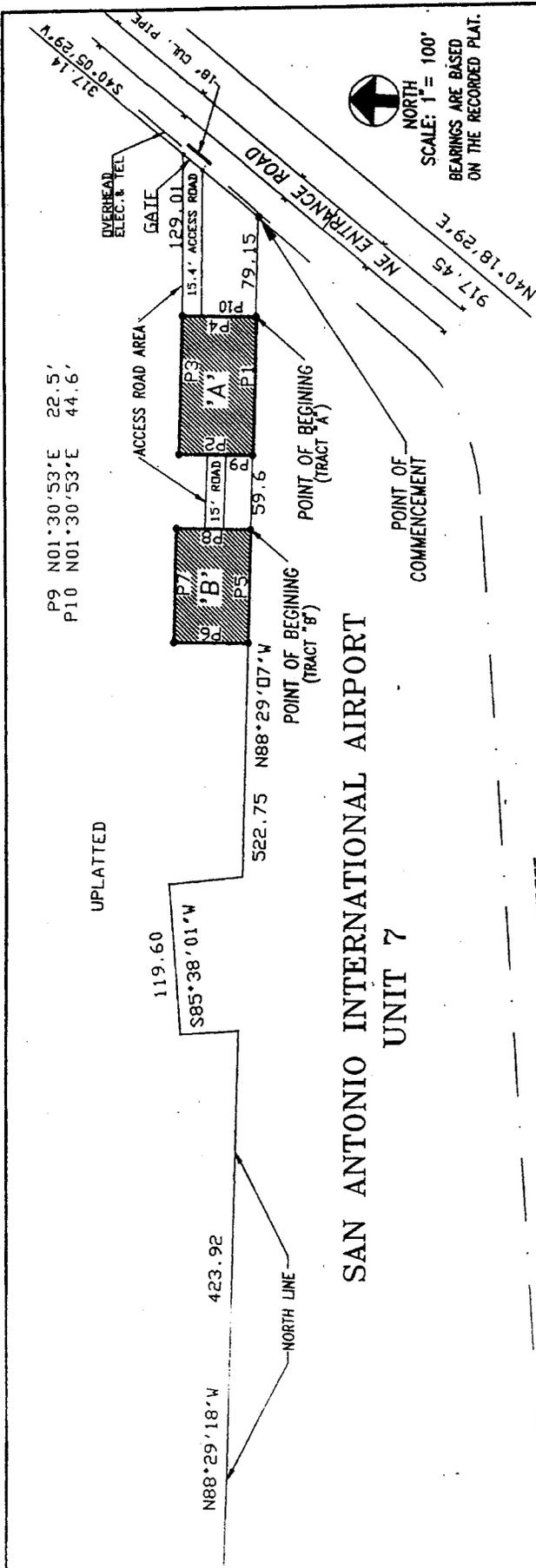
Approved:

Printed Name and Title

City Attorney

Mailing Address

Federal Tax I.D. No.



SAN ANTONIO INTERNATIONAL AIRPORT
UNIT 7

SECOND STREET

TRACT 'A'

P1	N88°29'07"W	110.80
P2	N01°30'53"E	60.00
P3	S88°29'07"E	110.80
P4	S01°30'53"W	60.00

TRACT 'B'

P5	N88°29'07"W	89.00
P6	N01°30'53"E	60.00
P7	S88°29'07"E	89.00
P8	S01°30'53"W	60.00

REFERENCES:
SOURCE: DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS.
VOLUME 9525, PAGES 156-159
PLAT OF SAN ANTONIO INTERNATIONAL AIRPORT UNIT 7

NOV, 1995

LEASE EXHIBIT FOR TWO TRACTS OF LAND, TRACT 'A' & TRACT 'B' OF SAN ANTONIO AIRPORT UNPLATTED PROPERTY

TRACT 'A' CONTAINING .152 ACRE (6,648 SQUARE FEET) OF LAND, AND TRACT 'B' CONTAINING .122 ACRE (5,340 SQUARE FEET) OF LAND, BOTH TRACTS ADJACENT AND CONTIGUOUS WITH THE NORTH LINE OF SAN ANTONIO INTERNATIONAL AIRPORT UNIT 7, SAN ANTONIO, BEXAR COUNTY TEXAS, AS RECORDED IN VOLUME 9525 PAGES 156-59 OF THE DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS.

EXHIBIT 2

for premises leased to

National Flight Services, Inc.

of

SAN ANTONIO INTERNATIONAL AIRPORT

LEASE NUMBER :

FIELD NOTES
FOR *LEASE TRACT "A"*

A 0.152 acre (6,648 square feet) tract of land out of San Antonio owned property that is located adjacent and contiguous with the north line of San Antonio International Airport Unit 7, San Antonio, Bexar County, Texas, as recorded in Volume 9525, pages 156-159 of the deed and plat records of Bexar County, Texas.

- COMMENCING: At a found iron fence post at an angle point on the north line of San Antonio International Airport Unit 7, as shown on Lease Exhibit Plat for Tract "A" & "B".
- THENCE: North 88 degrees 29 minutes 07 seconds West, a distance of 79.15 feet to a fence post on the north line of San Antonio International Airport Unit 7, for the southeast corner of this Lease Tract "A" and the **POINT OF BEGINNING**.
- THENCE: North 89 degrees 29 minutes 07 seconds West, a distance of 110.80 feet, along the north line of San Antonio International Airport Unit 7, and to an angle point for the south line of this Lease Tract "A", for the southwest corner of this Lease Tract "A".
- THENCE: North 01 degrees 30 minutes 53 seconds East, a distance of 60.0 feet, and to an angle point for the west line of this Lease Tract "A", for the northwest corner of this Lease Tract "A".
- THENCE: South 88 degrees 29 minutes 07 seconds East, a distance of 110.80 feet, and to an angle point for the north line of this Lease Tract "A", for the northeast corner of this Lease Tract "A".
- THENCE: South 01 degrees 30 minutes 53 seconds West, a distance of 60.0 feet, for the east line of this Lease Tract "A" and to the **POINT OF BEGINNING** containing 0.152 acre (6,648 square feet).

FIELD NOTES
FOR *LEASE TRACT "B"*

A 0.122 acre (5,340 square feet) tract of land out of San Antonio owned property that is located adjacent and contiguous with the north line of San Antonio International Airport Unit 7, San Antonio, Bexar County, Texas, as recorded in Volume 9525, pages 156-159 of the deed and plat records of Bexar County, Texas.

- COMMENCING: At a found iron fence post at an angle point on the north line of San Antonio International Airport Unit 7, as shown on Lease Exhibit Plat for Tract "A" & "B".
- THENCE: North 88 degrees 29 minutes 07 seconds West, a distance of 249.55 feet to a fence post on the north line of San Antonio International Airport Unit 7, for the southeast corner of this Lease Tract "B" and the **POINT OF BEGINNING**.
- THENCE: North 89 degrees 29 minutes 07 seconds West, a distance of 89.0 feet, along the north line of San Antonio International Airport Unit 7, and to an angle point for the south line of this Lease Tract "B", for the southwest corner of this Lease Tract "B".
- THENCE: North 01 degrees 30 minutes 53 seconds East, a distance of 60.0 feet, and to an angle point for the west line of this Lease Tract "B", for the northwest corner of this Lease Tract "B".
- THENCE: South 88 degrees 29 minutes 07 seconds East, a distance of 89.0 feet, and to an angle point for the north line of this Lease Tract "B", for the northeast corner of this Lease Tract "B".
- THENCE: South 01 degrees 30 minutes 53 seconds West, a distance of 60.0 feet, for the east line of this Lease Tract "B" and to the **POINT OF BEGINNING** containing 0.122 acre (5,340 square feet).