



Legislation Text

File #: Res. 2018-106R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2018-106R, approving an Amended and Restated Airport Facility Lease Agreement for Commercial Fixed Base Operator (FBO) Use with Berry Aviation, Inc. for the FBO terminal facility and associated fueling facilities at the San Marcos Regional Airport; authorizing the City Manager to execute the Agreement; and declaring an effective date.

Meeting date: June 19, 2018

Department: Airport-Texas Aviation Partners

Amount & Source of Funding

Funds Required: Click or tap here to enter text.

Account Number: Click or tap here to enter text.

Funds Available: Click or tap here to enter text.

Account Name: Click or tap here to enter text.

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Choose an item.

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☒ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Choose an item.

Background Information:

In May 2017, City Council approved a 40-year ground lease for the construction of a maintenance facility for Berry Aviation Inc. ("Berry"). Berry has requested that their existing leases be amended to extend the terms to match the May 2017 ground lease. The proposed new deal clarifies and cleans up areas of confusion with two amended, new leases that improve our mutual business arrangement at the airport. This lease includes the City-owned terminal facility, the City-owned above ground storage tanks (2), and the Berry-owned self-service fueling facility.

Additional changes were made, including:

- Separating FBO and fueling facilities from hangar facilities
- Clarification of leased premises and associated maintenance costs including those associated with the City-owned above ground fuel storage tanks
- Changing responsibility of utility payments from the City to Berry (including electricity, water/wastewater, and alarm monitoring)
- Addition of periodic rent increases
- Removal of 1% gross revenue requirement, consistent with current leasing policy

There is a comparison of Berry's current lease and the proposed lease prepared by Texas Aviation Partners attached as background information. There are two agenda items because there are two separate leases: one for Berry's Fixed Based Operator business and Berry's other aircraft business.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

Texas Aviation Partners recommends approval.

