



Legislation Text

File #: Res. 2018-107R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2018-107R, approving an Amended and Restated Revised Lease of Unimproved Property for Construction and Operation of Business Facilities with Berry Aviation, Inc. for an aircraft hangar and tract of land 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 term to match that of the 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 a 55,000 square foot City-owned hangar and an approximately 20,000 square foot hangar owned by Berry Aviation.

Additional changes were made, including:

- Separating hangar facilities from FBO and fueling facilities
- Clarification of leased premises and associated maintenance costs
- Addition of ground leased area to accommodate vehicle parking and storage
- 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 new lease prepared by Texas Aviation Partners attached as background. There are two agenda items relating to Berry: one approves Berry's Fixed Based Operator business and the other one Berry's 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.