



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 9

Agenda Date: January 16, 2025

In Control: City Council A Session

DEPARTMENT: Aviation Department

DEPARTMENT HEAD: Jesus H. Saenz Jr.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease Agreement with DHL Express (USA) INC at the San Antonio International Airport

SUMMARY:

This ordinance approves a lease agreement with DHL Express (USA) Inc., for Building 1600 including ground space, apron/ramp space and preferential parking located at 10307 Wetmore Road at the San Antonio International Airport. The lease agreement will commence on March 1, 2025 with an initial term of one year with the option to extend for four, one-year periods. The lease agreement will generate an annual rent of \$303,823.60 which will be deposited into the Airport Operating and Maintenance Fund.

BACKGROUND INFORMATION:

DHL Express (USA) Inc. has been a tenant at San Antonio International Airport since 1990, operating at 10307 Wetmore Road. The company utilizes the leasehold for air cargo operations, including the loading, unloading, and sorting of cargo transported by aircraft. Additionally, the premises support parking and servicing of aircraft, the use of ground equipment and vehicles essential to air cargo operations, and general office functions that are directly related to and incidental to these activities. This functions include front-counter customer services for processing the receipt and handling of packages and envelopes. The Leased Premises are designated

exclusively for aeronautical activities or those that directly support such activities.

The leasehold comprises 12,931 square feet of land, which includes 23,700 square feet for Building 1600. The leasehold also includes 11,378 square feet of apron/ramp space for aircraft operations and 41,500 square feet of preferential parking designated for tenant use. The current lease agreement expires on February 28, 2025.

ISSUE:

This ordinance approves a lease agreement with DHL Express (USA) Inc., for Building 1600 including ground space, apron/ramp space and preferential parking located at 10307 Wetmore Road at the San Antonio International Airport for an initial term of one-year with the option for four additional one-year extensions, which will commence on March 1, 2025. The lease agreement will generate an annual rent of \$303,823.60 which will be deposited into the Airport Operating and Maintenance Fund.

ALTERNATIVES:

City Council can elect to decline approval of the agreement with DHL Express (USA) Inc. However, such decision could negatively impact San Antonio International Airport, resulting in the loss of a long-standing tenant and the associated revenue it generates.

FISCAL IMPACT:

This ordinance approves a lease agreement with DHL Express (USA) Inc., for Building 1600 including ground space, apron/ramp space and preferential parking located at 10307 Wetmore Road at the San Antonio International Airport for an initial term of one-year with the option for four additional one-year extensions, which will commence on March 1, 2025. The lease agreement will generate an annual rent of \$303,823.60 which will be deposited into the Airport Operating and Maintenance Fund.

RECOMMENDATION:

Staff recommends the approval of a lease agreement with DHL Express (USA) Inc., at the San Antonio International Airport.