



City of San Antonio

Agenda Memorandum

File Number:

Agenda Item Number: 22

Agenda Date: March 7, 2024

In Control: City Council A Session

DEPARTMENT: Aviation Department

DEPARTMENT HEAD: Jesus H. Saenz Jr.

COUNCIL DISTRICTS IMPACTED: Citywide

SUBJECT:

Lease Agreement with PC Aviation, LLC at the San Antonio International Airport

SUMMARY:

This ordinance approves a lease agreement with PC Aviation, LLC for Building 1110 located at 10226 John Cape Road and Building 1130 located at 903 Paul Wilkins, along with ground space for both locations, at the San Antonio International Airport for a term of five years, which will commence upon final execution of the agreement. The tenant will have an option to extend the agreement for an additional five years if it performs \$1 million in approved capital infrastructure improvements by the end of the fourth year of the original five year term. The lease agreement will generate an annual rent of \$242,934.24 which will be deposited into the Airport Operating and Maintenance Fund.

BACKGROUND INFORMATION:

PC Aviation, LLC consists of HH Aviation and Atherton Properties and has been a tenant at the San Antonio International Airport since 2008. The tenant utilizes the leasehold at 10226 John Cape Road and 903 Paul Wilkins for the storage and maintenance of Lessee's corporate aircraft and for

office support activities. The leasehold includes 60,644 square feet of land of which Building 1110, comprised of 15,400 square feet, sits on and 34,329 square feet of land of which Building 1130, comprised of 14,311 square feet, sits on.

ISSUE:

This ordinance approves a lease agreement with PC Aviation, LLC for Building 1110 and ground space located at 10226 John Cape Road and Building 1130 and ground space located at 903 Paul Wilkins at the San Antonio International Airport for a term of five years, which will commence upon final execution of the agreement. The tenant will have an option to extend the agreement for an additional five years if it performs \$1 million in approved capital infrastructure improvements by the end of the fourth year of the original five year term. The lease agreement will generate an annual rent of \$242,934.24 which will be deposited into the Airport Operating and Maintenance fund.

ALTERNATIVES:

If City Council does not approve this agreement PC Aviation, LLC would have to find a new location and the San Antonio International Airport would lose a long-time tenant and the revenue it generates.

FISCAL IMPACT:

This ordinance authorizes a lease agreement with PC Aviation, LLC for Building 1110 and ground space located at 10226 John Cape Road and Building 1130 and ground space located at 903 Paul Wilkins at the San Antonio International Airport for a term of five years, which will commence upon final execution of the agreement. The tenant will have an option to extend the agreement for an additional five years if it performs \$1 million in approved capital infrastructure improvements by the end of the fourth year of the original five year term. The lease agreement will generate an annual rent of \$242,934.24 which will be deposited into the Airport Operating and Maintenance Fund.

RECOMMENDATION:

Staff recommends the approval of a lease agreement with PC Aviation, LLC at the San Antonio International Airport.