



# City of San Antonio

## Agenda Memorandum

**File Number:**

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**Agenda Item Number:** {{item.number}}

**Agenda Date:** January 16, 2025

**In Control:** City Council A Session

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**DEPARTMENT:** Aviation Department

**DEPARTMENT HEAD:** Jesus H. Saenz Jr.

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Lease Agreement with Lynxs San Antonio CargoPort, LP at the San Antonio International Airport

**SUMMARY:**

This ordinance approves a lease agreement with Lynxs San Antonio CargoPort, LP (Lynxs) for Building 2650 located at 10315 Wetmore Road at the San Antonio International Airport for a term of one year, which will commence February 1, 2025 and shall terminate on January 31, 2026. The lease agreement will generate an annual rent of \$318,245.76 but anticipate rent credits of \$146,723.61 to be issued resulting in a net revenue of \$171,522.15 which will be deposited into the Airport Operating and Maintenance Fund.

**BACKGROUND INFORMATION:**

Lynxs has been a tenant at San Antonio International Airport (SAT) since 2011, operating at 10315 Wetmore Road. The company utilizes its leasehold primarily for air cargo operations, including the loading, unloading, and sorting of cargo transported via aircraft. The facility, designated as Building 2650, encompasses 113,694 square feet of ground space, and includes 45,000 square feet of office and warehouse space.

In September 2023, the Aviation Terminal Development Plan (TDP) team identified a need to

relocate OPS from its existing location at 453 Sandau. Lynxs was identified as a suitable location for OPS in light of the upcoming expiration of the current lease on July 31, 2024. In February 2024, the City engaged in discussions with Lynxs and successfully negotiated a build-out plan under which Lynxs would perform specific renovations to the first floor of the building on behalf of the City in exchange for rent credits. The lease ending on July 31, 2024 was amended effective July 17, 2024 to allow for a rent credit in the amount of \$26,359.08 to be issued for the month on July 2024. A short-term lease agreement was executed, commencing on August 1, 2024; however, the planned renovations are expected to extend beyond the lease term. This anticipated rent credits for this short term lease are \$159,122.88.

The planned renovations have been underway and will continue within the facility's first floor and surrounding areas. To date, invoices, and estimates total \$332,205.57. All associated costs will be paid directly to SpawGlass Construction by Lynxs and reimbursed by SAT through rent credits.

#### **ISSUE:**

This ordinance approves a lease agreement with Lynxs for Building 2650 located at 10315 Wetmore Road at the San Antonio International Airport for a term of one year, which will commence February 1, 2025 and shall terminate on January 31, 2026. The lease agreement will generate an annual rent of \$318,245.76 but anticipate rent credits of \$146,723.61 to be issued resulting in a net revenue of \$171,522.15 which will be deposited into the Airport Operating and Maintenance Fund.

#### **ALTERNATIVES:**

City Council can elect to not approve the lease agreement with Lynxs San Antonio CargoPort, LP. at the San Antonio International Airport which would require Lynx to relocate to a new position and the Aviation Department to seek a new tenant for this building.

#### **FISCAL IMPACT:**

This ordinance approves a lease agreement with Lynxs San Antonio CargoPort, LP for Building 2650 and ground space located at 10315 Wetmore Road at the San Antonio International Airport for an initial term of one year, which will commence on February 1, 2025. The lease agreement will generate a net annual rent of \$171,522.15 which will be deposited into the Airport Operating and Maintenance Fund.

#### **RECOMMENDATION:**

Staff recommends the approval of a lease agreement with Lynxs San Antonio CargoPort, LP at the San Antonio International Airport.

