

**ORDINANCE**

**AUTHORIZING THE NEGOTIATION AND EXECUTION OF A FIVE-YEAR LEASE AGREEMENT BY THE DIRECTOR OF AIRPORTS BETWEEN THE CITY OF SAN ANTONIO AND THE LANDLORD AT 10100 REUNION PLACE FOR 26,006 SQUARE FEET OF OFFICE SPACE AT THE INITIAL ANNUAL COST OF \$663,153.00. THE LEASE WILL INCLUDE A RIGHT TO EXPAND INTO AN ADDITIONAL 10,973 SQUARE FEET OF OFFICE SPACE IN THE BUILDING. FUNDING IN THE AMOUNT OF \$392,405.75 IS AVAILABLE FROM THE FY 2023 AIRPORT OPERATING & MAINTENANCE FUND ADOPTED BUDGET. FUNDING FOR SUBSEQUENT YEARS IS CONTINGENT ON CITY COUNCIL APPROVAL OF THE ANNUAL BUDGET.**

\* \* \* \* \*

**WHEREAS**, on November 18, 2021, City Council approved the Strategic Development Plan (SDP), a Master Planning process required by the Federal Aviation Administration to take place every eight to ten years. This process is a comprehensive, long-range study of every physical aspect of an airport to ensure it meets projected demand and serves its designated role within the national airport system; and

**WHEREAS**, the Aviation Department developed a Terminal Development Plan (TDP) based on the SDP which was presented during the B Session presentation on May 18, 2022, and includes a new Terminal C as well as other enabling facilities to support air service growth for the San Antonio region, scheduled to be operational by the end of the second quarter of 2028; and

**WHEREAS**, the lease agreement will provide additional office space to support the Terminal Development Program for the San Antonio International Airport which will build a new Terminal C facility and enabling projects by the end of the second quarter of 2028. The additional office space will centralize the City staff involved in the planning, development, financing and construction of the Terminal Development Plan as well as the consultants who have been contracted to support these activities. As part of the FY 2023 Budget, the City Council authorized over 30 new positions for the following departments to support the Terminal Development Plan from Aviation, Finance, Human Resources, Development Services and IT.

**NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council authorizes the City Manager or Director of Airports the authority to negotiate and execute a five-year lease agreement for 26,006 square feet of office space located at 10100 Reunion Place with the right to expand up to an additional 10,973 square feet with the landlord.

**SECTION 2.** Rent will be charged according to the following schedule:

Term	Monthly/Annual Rent	Annual Rate PSF
Year 1	\$55,262.75/ \$663,153	\$25.50
Year 2	\$57,473.26/ \$689,679	\$26.52
Year 3	\$59,772.19/ \$717,266	\$27.58
Year 4	\$62,163.08/ \$745,957	\$28.68
Year 5	\$64,649.60/ \$775,795	\$29.83

The costs cited above shall include all expenses associated with the City occupancy. In the event the City expands the occupancy as provided in the lease the rent shall increase proportionality by the per square foot amounts cited above on an annual basis. Funding in the amount of \$392,405.75 is available in the FY 2023 Airport Operating & Maintenance Fund Adopted Budget. Funding for subsequent years of the lease is contingent on City Council approval of the annual budget. Furthermore, after the initial five-year term has expired, the lease shall delegate to the Director of the Aviation Department the option to extend the lease an additional five years at market rate.

**SECTION 3:** Funding in the amount of \$392,405.75 for this ordinance is available in Fund 51001000, Cost Center 3305010001 and General Ledger 5206010 as part of the Fiscal Year 2023 Adopted Budget approved by City Council.

**SECTION 4:** Payment is authorized to Airport Center Office Building LLP and should be encumbered with a purchase order.

**SECTION 5:** Additional funding is contingent upon City Council approval of the Fiscal Year 2024 and subsequent budgets that fall within the contract terms of this ordinance.

**SECTION 6.** The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager’s designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

**SECTION 7:** This Ordinance becomes effective immediately upon its passage by eight (8) votes or more and 10 days after passage upon its approval by less than eight (8) votes.

VS  
12/15/2022  
Item No. \_\_\_\_

**PASSED AND APPROVED** this 15th day of December 2022.

**M A Y O R**  
**Ron Nirenberg**

**ATTEST:**

**APPROVED AS TO FORM:**

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**Debbie Racca-Sittre, City Clerk**

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**Andrew Segovia, City Attorney**

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