

AN ORDINANCE **99268**

AUTHORIZING THE EXECUTION OF A FIVE (5) YEAR LEASE AGREEMENT WITH U.S. HELICOPTERS, INC. FOR USE OF BUILDING 660A FOR AN ANNUAL BUILDING RENTAL OF \$13,678.20, 119,444 SQUARE FEET OF GROUND SPACE AND 11,646 SQUARE FEET OF PARKING LOT FOR AN ANNUAL GROUND AND PARKING LOT RENTAL OF \$9,176.30, FOR A TOTAL ANNUAL RENTAL OF \$22,854.50; AND AUTHORIZING RENTAL CREDITS IN AN AMOUNT NOT TO EXCEED \$79,064.85.

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WHEREAS, the City is the owner in fee simple of all pieces, parcels or tracts of land situated at Stinson Municipal Airport, in the City of San Antonio, Bexar County, Texas; and

WHEREAS, U.S. Helicopter, Inc. (hereinafter, "Lessee") wishes to enter into a Lease for use of Building 660A, 119,444 square feet of ground premises, and 11,646 square feet of parking lot space; and

WHEREAS, U.S. Helicopter began its operations at Stinson Municipal Airport in 2001 as a sublessee of Stinson Air Center, LLC; and

WHEREAS, Stinson Air Center, LLC filed for Chapter 7, Bankruptcy protection on May 28, 2003; and

WHEREAS, the Stinson Air Center, LLC Lease was rejected by the Bankruptcy Trustee on July 28, 2003; and

WHEREAS, Jefferson State Bank, the collateral assignee/lien holder on the Stinson Air Center, LLC Lease foreclosed upon its interest in the Lease and Check-Six Aviation, Inc. purchased the Lease via a Substitute Trustee's Deed; and

WHEREAS, Check-Six Aviation, Inc. wishes to delete Building 660A and 173,115 square feet of ground space from the former Stinson Air Center, LLC Lease; and

WHEREAS, Check-Six Aviation, Inc. has also requested that U.S. Helicopter assume \$37,064.85 of the past due rent under the former Stinson Air Center, LLC Lease; and

WHEREAS, U.S. Helicopter, Inc. is willing to lease Building 660A, 119,444 square feet of ground space and 11,646 square feet of parking lot, and assume \$37,064.85 in past due rent; and

WHEREAS, Lessee shall receive a rental credit in an amount not to exceed \$42,000.00 provided Lessee completes the improvements to the Leased Premises listed in Exhibit 3 of the Lease Agreement and upon receipt of the required cost information and certifications; and

WHEREAS, Lessee shall receive a rental credit in the amount of \$37,064.85 provided Lessee completes all the projects listed in Exhibit 4 of the Lease Agreement within one hundred eighty (180) days from the effective date of the Lease Agreement; and

WHEREAS, it is deemed to be in the best interest of the City to enter into a five (5) year Lease Agreement for said premises with Lessee; **NOW THEREFORE**:

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

SECTION 1. The City Manager or her designee is authorized to execute a Stinson Municipal Airport Lease Agreement with U.S. Helicopters, Inc., a copy of which is attached hereto as Attachment 1 and incorporated by reference herein for all purposes.

SECTION 2. The proceeds of the agreement shall be deposited into Fund 51-001 entitled "Airport Fund," Index Codes 040527 and 050550, entitled, "Airport Ground Rental-Stinson-Non-Avia" and "Airport Ground Rental-Stinson-Aviation" respectively. The Lease rate for 119,444 square feet of ground space is \$0.07 per square foot per year, producing an annual rental of \$8,631.08 per year. The lease rate for 11,646 square feet of parking lot space is \$0.07 per square foot per year, producing an annual rental of \$815.22 per year. The lease rate for Building 660A is \$1.02 per square foot per year, producing an annual building rental of \$13,678.20 per year.

SECTION 3. The Director of Finance may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocation to specific index codes and fund numbers as necessary to carry out the purpose of this Ordinance.

SECTION 4. Lessee may receive rental credits in an amount not to exceed \$79,064.85 in accordance with the terms of the Lease Agreement.

SECTION 5. This Ordinance shall be effective on and after the tenth (10th) day after passage hereof.

PASSED AND APPROVED THIS 3rd day of June, 2004.



M A Y O R
EDWARD D. GARZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
for City Attorney