

**CITY OF SAN ANTONIO
INTERDEPARTMENTAL MEMORANDUM
AVIATION DEPARTMENT**

CONSENT AGENDA

ITEM NO. 18

TO: Mayor and City Council

FROM: Kevin C. Dolliole, Aviation Director

THROUGH: Terry M. Brechtel, City Manager

COPIES TO: Christopher J. Brady, Asset Management, Budget, Legal, Finance, and File

SUBJECT: New Ground Lease with Nayak Aviation Corporation at San Antonio International Airport

DATE: November 21, 2002

SUMMARY & RECOMMENDATION

In order to relocate and increase necessary fuel storage facilities at San Antonio International Airport ("Airport"), the proposed ordinance authorizes the execution of a new 20-year ground lease for the development of a new aboveground Fuel Storage Facility with Nayak Aviation Corporation ("Nayak"). The lease is for 123,274 square feet of ground space at an annual rental of \$49,309.60 (123,274 square feet times \$.40 per square foot per year).

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

The lessee is a full-service Fixed Based Operator (FBO) that provides 24 hour services to commercial airlines, private aircraft and corporate business aircraft at another Airport site. Nayak has been a tenant at San Antonio International since 1961. It is a family-owned and operated aviation business, and is one of the oldest continuously operated businesses on the Airport. Nayak currently employs 60 individuals at its Airport facility with an estimated annual payroll of \$1,500,000. The need to develop a new fueling facility results from the planned future recapture by the City of the current Nayak leasehold and fueling facilities in connection with the Terminal Expansion Project.

The Fuel Storage Facility Project will include two 5,000 barrel (440,000 gallons) fuel tanks to store Jet-A fuel and three ten thousand gallon tanks to store diesel, unleaded gasoline, and General Aviation 100 Octane AVGAS. The tenant-financed facility, which will cost approximately \$500,000, will also include loading and unloading docks.

POLICY ANALYSIS

The proposed ordinance is in keeping with Council policy as leases at the Airport have been permitted in the past. Further, the proposed lease will assist a current Airport tenant with its business growth and will facilitate the continuation of necessary services at the Airport.

FINANCIAL DATA

Annual ground rental for the new Nayak lease will be \$49,309.60 (123,274 square feet times \$.40 per square foot per year equals \$49,309.60). This rental is based upon an appraisal of the premises and represents a fair market value return to the City.

COORDINATION

This item has been coordinated with the Asset Management Department and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

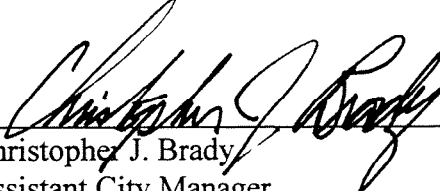
The required City of San Antonio Discretionary Contracts Disclosure form completed by the lessee is attached hereto.

SIGNATURES




Kevin C. Dolliole
Aviation Director

APPROVED:



Christopher J. Brady
Assistant City Manager



Terry M. Brechtel
City Manager

City of San Antonio
Discretionary Contracts Disclosure*

For use of this form, see City of San Antonio Ethics Code, Part D, Sections 1&2

Attach additional sheets if space provided is not sufficient.

State "Not Applicable" for questions that do not apply.

*** This form is required to be supplemented in the event there is any change in the information under (1), (2), or (3) below, before the discretionary contract is the subject of council action, and no later than five (5) business days after any change about which information is required to be filed.**

Disclosure of Parties, Owners, and Closely Related Persons

For the purpose of assisting the City in the enforcement of provisions contained in the City Charter and the Code of Ethics, an individual or business entity seeking a discretionary contract from the City is required to disclose in connection with a proposal for a discretionary contract:

(1) the identity of any individual who would be a party to the discretionary contract:

(2) the identity of any business entity¹ that would be a party to the discretionary contract:

NAYAK AVIATION Corp.

and the name of:

(A) any individual or business entity that would be a **subcontractor** on the discretionary contract:

NA

and the name of:

(B) any individual or business entity that is known to be a **partner**, or a **parent** or **subsidiary** business entity, of any individual or business entity who would be a party to the discretionary contract:

NA

¹ A *business entity* means a sole proprietorship, partnership, firm, corporation, holding company, joint-stock company, receivership, trust, unincorporated association, or any other entity recognized by law.

(3) the identity of any lobbyist or public relations firm employed for purposes relating to the discretionary contract being sought by any individual or business entity who would be a party to the discretionary contract.

NA

Political Contributions

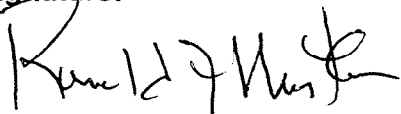
Any individual or business entity seeking a discretionary contract from the city must disclose in connection with a proposal for a discretionary contract all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made directly or indirectly to any current or former member of City Council, any candidate for City Council, or to any political action committee that contributes to City Council elections, by any individual or business entity whose identity must be disclosed under (1), (2) or (3) above. Indirect contributions by an individual include, but are not limited to, contributions made by the individual's spouse, whether statutory or common-law. Indirect contributions by an entity include, but are not limited to, contributions made through the officers, owners, attorneys, or registered lobbyists of the entity.

To Whom Made:	Amount:	Date of Contribution:
ED GARZA	\$750.00	4/01
TIM BANWOLF	\$750.00	4/01

Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city shall disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 1 of Part B, Improper Economic Benefit, by participating in official action relating to the discretionary contract.

NA

Signature:	Title:	Date:
	Vice President Company: NAYAK AVIATION Corp	10/12/02

² For purposes of this rule, facts are "reasonably understood" to "raise a question" about the appropriateness of official action if a disinterested person would conclude that the facts, if true, require recusal or require careful consideration of whether or not recusal is required.