

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

CONSENT AGENDA

ITEM NO. -

22

TO: Mayor and City Council

FROM: Kevin C. Dolliole, Aviation Director

THROUGH: Terry M. Brechtel, City Manager

COPIES TO: J. Rolando Bono, Asset Management, Budget, Legal, Finance and File

SUBJECT: Lease with The United States of America at San Antonio International Airport

DATE: December 18, 2003

SUMMARY & RECOMMENDATION

The proposed ordinance approves and authorizes a lease agreement for office space, an employee break area, and a small information technology (IT) space for use by The Transportation Security Administration ("TSA") at San Antonio International Airport. TSA provides staff and screening services in connection with aviation security at San Antonio International. TSA will pay \$14,615.24 monthly for the use of these areas located in Terminal 1 and Terminal 2.

The term of this agreement will commence November 1, 2003 and continue for a three year period through October 31, 2006. However, in order that TSA could expeditiously begin providing screening services at San Antonio International and could receive accommodation for its support functions, TSA was granted occupancy of the proposed leased premises as of March 1, 2003. Negotiation, preparation of the lease agreement, and review of these documents by TSA transpired since this date with the understanding that rent will be remitted by TSA retroactive to March 1, 2003.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

Over the past two years the aviation industry and airports throughout the country have experienced severe changes in the way business is conducted, especially changes in airport security. This has become a necessary part of air travel today.

On November 19, 2001, the President of the United States signed into law the Aviation and Transportation Security Act ("ATSA") Public Law 107-71 that created the Transportation Security Administration ("TSA"). This administration is part of the Department of Homeland Security. The primary mission of TSA is to provide a secure air travel system.

The presence of TSA personnel at San Antonio International Airport has created a need by TSA for office space and employee break areas in order to meet the daily needs of their security operation. The proposed agreement contains current standard airport lease provisions. However, the United States Government Transportation Security Administration, as an independent

establishment of the Executive Branch of the Government of the United States, is self-insured for purposes of potential liability and agrees to settle any claims against TSA under the Federal Tort Claims Act, 28 U.S.C 2671-2680 and 1346. Additionally, TSA has included as part of the proposed agreement "General Clauses" that further define certain requirements of the lease agreement. TSA estimates that two hundred thirty three persons are employed in support of its operations at the Airport. Moreover, employment of TSA personnel generates an estimated annual payroll of \$5.97 million.

POLICY ANALYSIS

The proposed ordinance is in keeping with City Council policy. Similar agreements for use of airport property have been approved in the past.

FISCAL IMPACT

TSA will pay monthly Terminal 2 office space rental of \$9,790.29 for Room 494 (1,961 square feet at \$59.91 per square foot per year equals \$117,483.51 divided by 12 months); Terminal 2 break area of \$1,607.59 for Room 181 (322 square feet at \$59.91 per square foot per year equals \$19,291.02 divided by 12 months); Terminal 1 office / break space of \$3,070.00 (500 square feet at \$73.68 per square foot per year equals \$36,840.00 divided by 12 months); and Terminal 1 (IT) space of \$147.36 for Room 1075 (24 square feet at \$73.68 per square foot per year equals \$1,768.32 divided by 12 months). This will result in a total monthly rental of \$14,615.24. The rate for square footage charge was calculated in accordance with the Airline-Airport Use and Lease Agreement, approved on September 21, 2001 by City Council pursuant to Ordinance No. 94625, plus the amortization of costs associated with the space build-out contracted by the City. Additionally, TSA will pay fees for employee parking and employee identification badges.

COORDINATION

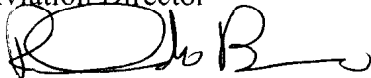
This item has been coordinated with the Asset Management Department and the City Attorney's Office.

SUPPLEMENTARY COMMENTS

This Council action does not require a Discretionary Contracts Disclosure Form.



Kevin C. Dolliole
Aviation Director



J. Rolando Bono
Deputy City Manager

APPROVED:



Terry M. Brechtel
City Manager