

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

CONSENT AGENDA
ITEM NO. 30

TO: Mayor and City Council

FROM: Kevin C. Dolliole, Aviation Director

THROUGH: Terry M. Brechtel, City Manager

COPIES TO: J. Rolando Bono, Asset Management, Office of Management & Budget, City Attorney's Office, Finance

SUBJECT: Lease with Sky Safety, Inc. for Building 606; 51,845 square feet of ground and preferential use ramp space; and 10,411 square feet of parking lot at Stinson Municipal Airport

DATE: June 24, 2004

SUMMARY AND RECOMMENDATIONS

This ordinance authorizes the execution of a lease agreement with Sky Safety, Inc. ("Sky Safety") for Building 606; 51,845 square feet of ground and preferential use ramp space, and 10,411 square feet of parking lot at Stinson Municipal Airport ("Stinson") for a term of five (5) years commencing on or about July 1, 2004 and ending on June 30, 2009 with two (2) five-year mutual extensions.

Staff recommends approval.

BACKGROUND INFORMATION

In January 2004, the City of San Antonio released a Request for Interest Statements to lease property at Stinson. Sky Safety, Inc. submitted an interest statement expressing its desire to lease Building 606, which due to recent renovations, has the highest appraised value per square foot at Stinson.

Since its incorporation in 2002, Sky Safety has operated a flight school at Castroville Municipal Airport. Sky Safety currently has nine aircraft based at Castroville Airport and approximately fifty students enrolled in its school. Due to demand for its services, Sky Safety seeks to open a location at Stinson while continuing to operate at Castroville Municipal Airport.

Sky Safety has proposed to utilize the facilities at Stinson for flight instruction, aircraft repair & maintenance, and various other aviation-related activities. During its first year of operations, Sky Safety expects to have six to eight based aircraft and thirty to fifty students enrolled at its Stinson location.

POLICY ANALYSIS

This ordinance is consistent with City Council policy to generate revenue through the leasing of City-owned properties.

FISCAL IMPACT

Under the terms of this agreement, Building 606 will be leased on a graduated step basis that will produce escalating building rentals. Revenues will be as follows:

Fiscal Year	Annual Building Revenue	Annual Ground Revenue	Combined Annual Revenue
FY 2004 (three months)	\$3,242.07	\$1,989.48	\$5,231.55
FY 2005	\$12,268.31	\$5,603.04	\$17,871.35
FY 2006	\$15,294.16	\$7,470.72	\$22,764.88
FY 2007	\$17,690.48	\$9,026.07	\$26,716.55
FY 2008 and thereafter	\$20,016.32	\$9,026.07	\$29,042.39

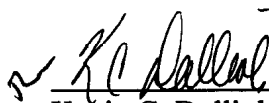
Should the lease be extended beyond the original five-year term, the rental rates will be subject to an adjustment at five-year intervals based upon the Production-Manufacturing and the Producer Price Index.

COORDINATION

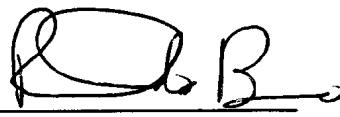
This item has been coordinated with the Asset Management Department and the City Attorney's Office.

SUPPLEMENTAL COMMENTS

The Discretionary Contracts Disclosure Form completed by Lessee is attached hereto.




Kevin C. Dolliole
Aviation Director



J. Rolando Bono
Deputy City Manager

APPROVED:



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:

Gregory R. Runneb

(2) the identity of any **business entity**¹ that would be a party to the discretionary contract:

Sky Safety, Inc.
\$

and the name of:

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

N/A

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;

N/A

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.

N/A

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:
N/A	N/A	N/A

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.

N/A

Signature:	Title:	Date:
	Pres. Company: Sky Safety, Inc.	5/26/04

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.