

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

CONSENT AGENDA  
ITEM NO. 31

**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

**SUBJECT:** Lease with Mr. Charles Olin Drennan d/b/a Ace Flyers for Building 605; 47,292 square feet of ground space; and 4,965 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 Mr. Charles Olin Drennan d/b/a Ace Flyers ("Ace Flyers") for Building 605; 47,392 square feet of ground space; and 4,965 square feet of parking lot at Stinson Municipal Airport ("Stinson") for a term of five (5) years commencing June 1, 2004 and ending on May 31, 2009 with a five-year extension upon mutual agreement by the contracting parties.

Staff recommends approval.

**BACKGROUND INFORMATION**

In June 2003, Ace Flyers entered into a sublease agreement with Stinson Aviation Corporation for premises at Stinson. After obtaining approval from the City of San Antonio Aviation Department, Ace Flyers located a modular classroom at Stinson from which it operated a flight school.

In January 2004, The City of San Antonio released a Request for Interest Statements to lease property at Stinson. Ace Flyers submitted its interest statement expressing its desire to lease Building 605. Ace Flyers is proposing to utilize the facilities for flight instruction and aircraft repair & maintenance.

Under the proposed lease, Ace Flyers will upgrade the restrooms in Building 605. Upon completion of the improvements in accordance with lease provisions, Ace Flyers may be eligible to receive up to \$7,000.00 in rental credits. Permitted uses of the premises include aircraft sales, maintenance, storage, rental, charter, flight instruction, catering, and sight-seeing.

**POLICY ANALYSIS**

This ordinance is consistent with City Council policy for granting new leases to the City's airport tenants and subtenants. Also, it is consistent with the policy to generate revenue through the leasing of City-owned properties.

## **FISCAL IMPACT**

Under the terms of this agreement, the annual lease rate will be \$0.90 per square foot for Building 605, producing annual building revenues of \$8,262.00 per year. There will also be a graduated ground rental rate at Stinson Municipal Airport, which will produce escalating annual ground rentals. Annual revenue is detailed below.

<b>Fiscal Year</b>	<b>Annual Building Revenue</b>	<b>Annual Ground Revenue</b>	<b>Combined Annual Revenue</b>
FY 2004 (four months)	\$2,754.00	\$1,222.13	\$3,976.13
FY 2005	\$8,262.00	\$4,713.93	\$12,975.93
FY 2006	\$8,262.00	\$6,285.24	\$14,547.24
FY 2007 and thereafter	\$8,262.00	\$7,707.00	\$15,969.00

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. Upon completion of improvements in accordance with the lease agreement, Ace Flyers may be eligible to receive up to \$7,000.00 in rental credits.

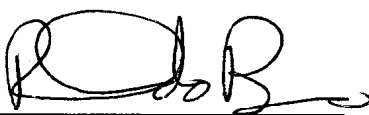
## **COORDINATION**

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:

Charles DLIN Drennan (210) 922-7554 (210)-494-2338
---

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

N/A
-----

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
-----

<sup>1</sup> 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

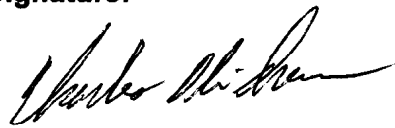
#### Political Contributions

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 question<sup>2</sup> 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: <i>CEO</i> Company: <i>McNamee</i>	Date: <i>5/21/04</i>

<sup>2</sup> 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.