

CONSENT AGENDA
ITEM NO. 14

**CITY OF SAN ANTONIO
AVIATION DEPARTMENT
CITY COUNCIL AGENDA MEMORANDUM**

TO: Mayor and City Council

FROM: Mark H. Webb, Interim Aviation Director

SUBJECT: Lease Agreement-- Genesis Aircraft Support, Inc.

DATE: January 19, 2006

SUMMARY AND RECOMMENDATIONS

An ordinance authorizing the execution of a Lease Agreement with Genesis Aircraft Support, Inc. ("Genesis") for 7,680 square feet of cargo space in the Air Cargo Building West at San Antonio International Airport for a term of thirty-three (33) months commencing February 1, 2006, for a monthly rental of \$4,875.29.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

On January 1, 2006, Genesis, a corporation headquartered in Colorado, assumed contractual operations for the handling of belly freight for several airlines. In order to provide uninterrupted services to these airlines, Genesis began occupancy of the four (4) bays at the Air Cargo Building West on January 1, 2006 under the provisions of a short term lease. The proposed Lease Agreement is for the long term occupancy of these bays.

The term of the Lease is for a period of thirty-three (33) months, from February 1, 2006 through October 31, 2008, which coincides with other existing leases at this facility. The rental rates for this facility are based on market rates of comparable facilities around the San Antonio International Airport.

This Lease Agreement contains current Airport Standard Provisions including those concerning security, insurance, indemnification and performance guarantee.

POLICY ANALYSIS

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

FISCAL IMPACT

Under the terms of this Lease Agreement, the annual rental rate is \$7.21 per square foot, based on market rates of comparable facilities near the San Antonio International Airport. A portion of the cargo space is separately metered for utilities and the Lessee is responsible for those costs. The remainder of the space is served by a common meter for incidental electric costs (signage and outdoor lighting), gas, and water. As determined through a review of utility records for this facility over a recent one-year period, the cost for those City-provided utilities is \$.48 per square foot per year and that cost has been applied to the appropriate square footage, as shown below. The projected total annual revenue to the City is \$58,503.36

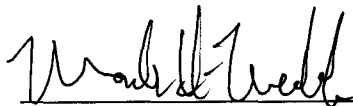
<u>Leased Premises</u>	<u>Sq. Ft.</u>	<u>Annual Rate per Sq. Ft.</u>	<u>Annual Rental</u>	<u>Monthly Rental</u>
Space-with utilities	6,522	\$7.69	\$50,154.18	\$4,179.52
Space-no utilities	1,158	\$7.21	\$ 8,349.18	\$ 695.77
Total			\$58,503.36	\$4,875.29

COORDINATION

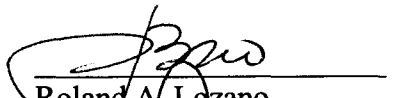
This item has been coordinated with the City Attorney's Office and the Asset Management Department.

SUPPLEMENTAL COMMENTS

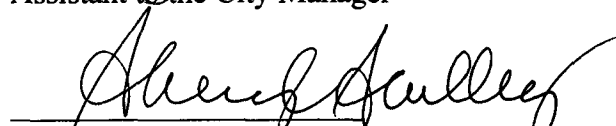
The Discretionary Contracts Disclosure Form completed by Lessee is attached hereto.



Mark H. Webb
Interim Aviation Director



Roland A. Lozano
Assistant to the City Manager



Sheryl Sculley
City Manager

City of San Antonio
Discretionary Contracts Disclosure

*For use of this form, see Section 2-59 through 2-61 of the City Code (Ethics Code)
Attach additional sheets if space provided is not sufficient.*

(1) Identify any individual or business entity¹ that is a party to the discretionary contract:

Genesis Aircraft Support, Inc.

(2) Identify any individual or business entity which is a **partner**, **parent** or **subsidiary** business entity, of any individual or business entity identified above in Box (1):

☐ No partner, parent or subsidiary; or

List partner, parent or subsidiary of each party to the contract and identify the corresponding party:

N/A

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

☐ No subcontractor(s); or

List subcontractors:

N/A

(4) Identify any **lobbyist** or **public relations firm** employed by any party to the discretionary contract for purposes related to seeking the discretionary contract:

☐ No lobbyist or public relations firm employed; or

List lobbyists or public relations firms:

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. A sole proprietor should list the name of the individual and the d/b/a, if any.

(5) Political Contributions

List all political contributions totaling one hundred dollars (\$100) or more within the past twenty-four (24) months made 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 Box (1), (2), (3) or (4) above, or by the officers, owners of any business entity listed in Box (1), (2) or (3).



No contributions made; If contributions made, list below:

By Whom Made:	To Whom Made:	Amount:	Date of Contribution:

(6) Disclosures in Proposals

Any individual or business entity seeking a discretionary contract with the city must disclose any known facts which, reasonably understood, raise a question² as to whether any city official or employee would violate Section 2-43 of the City Code (Ethics Code), ("conflicts of interest") by participating in official action relating to the discretionary contract.




Party not aware of facts which would raise a "conflicts-of-interest" issue under Section 2-43 of the City Code; or

Party aware of the following facts:

N/A

This form is required to be supplemented in the event there is any change in the information 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, whichever occurs first.

Signature: 	Title: President Company or D/B/A: Genesis Aircraft + Supply	Date: 1-5-06
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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.