CITY OF SAN ANTONIO AVIATION DEPARTMENT CITY COUNCIL AGENDA MEMORANDUM

TO:

Sheryl Sculley, City Manager

FROM:

Mark H. Webb, Interim Aviation Director

SUBJECT:

Lease Agreement- Jett Care Aerospace Group

DATE:

February 23, 2006

SUMMARY AND RECOMMENDATIONS

An ordinance authorizing the execution of a Lease Agreement with Jett Care Aerospace Group ("Jett Care") for 1,130 square feet of space in the Air Cargo Building West at San Antonio International Airport for a term of thirty-two (32) months commencing March 8, 2006, for a monthly rental of \$713.42.

Staff recommends approval of this ordinance.

BACKGROUND INFORMATION

On February 6, 2006, Jett Care assumed contractual operations for the maintenance of aircraft for Trans State Airlines, Inc. In order to hire aircraft mechanics and set up their office and store room, Jett Care began occupancy of one (1) bay at the Air Cargo Building West on February 6, 2006 under the provisions of a Short Term Lease.

The term of the Lease is for a period of thirty-two (32) months, from March 8, 2006 through October 31, 2008, which coincides with other existing leases at Air Cargo Building West. The rental rates for this cargo 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 \$8,561.06.

<u>Leased Premises</u>	Sq. Ft.	Annual Rate per Sq. Ft.	Annual <u>Rental</u>	Monthly <u>Rental</u>
Space with Utilities	862	\$7.69	\$6,628.78	\$552.40
Space without utilities	268	\$7.21	\$1,932.28	\$161.02

COORDINATION

This request for ordinance has been coordinated with the following departments: Finance, Asset Management and the City Attorney's Office.

SUPPLEMENTAL COMMENTS

The Discretionary Contracts Disclosure Form completed by Lessee is attached.

Mark H. Webb

Interim Director, Aviation

Roland A. Lozano

Assistant to the City Manager

Approved for Council Consideration:

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 entity ¹ that is a party to the discretionary contract:
\ .
1/4
(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
No partiler, parent or subsidiary, or
List partner, parent or subsidiary of each party to the contract and identify the corresponding
party:
\mathcal{N}/\mathcal{A}
(3) Identify any individual or business entity that would be a subcontractor on the discretionary
contract.
No subcontractor(s); <i>or</i>
-
List subcontractors:
(4) 11-45 1-bb 4 bb
(4) Identify any lobbyist or public relations firm employed by any party to the discretionary contract for purposes related to seeking the discretionary contract.
contract for purposes related to seeking the discretionary contract.
No lobbyist or public relations firm employed; <i>or</i>
List lobbyists or public relations firms:
List lobbyists or public relations firms.
N/N

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
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List all political contributions totaling one hundred dollars (\$100) or more within the past twentyfour (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:			
,						
N/A						

(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:

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:

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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.