



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 4/29/2021

HAS - Amendment No. 4 to Lease Agreement with Aero Houston Central, LP at IAH

Agenda Item#:

Background:

RECOMMENDATION:

Enact an Ordinance approving and authorizing Amendment No. 4 to a Lease Agreement with Aero Houston Central, LP for certain premises at George Bush Intercontinental Airport/Houston (IAH) and setting a maximum contract amount of \$51,706.45.

SPECIFIC EXPLANATION:

On November 30, 1982, City Council approved a Lease Agreement with The King Interests, Inc. for 151,056 square feet of land in the central cargo area of George Bush Intercontinental Airport/Houston ("IAH") for the business of conducting air and ground transportation for hire of cargo and freight. Aero Houston Central, LP ("Aero"), is the current successor-in-interest and the Lease Agreement has been amended three times.

On May 24, 2017, City Council approved Amendment No. 3 to enable relocation of HAS fleet maintenance operations, necessitated by United Airline's technical operations center development, to Aero's Building G premises until replacement facilities could be built. The term was for two years with subsequent month-to-month extensions. Replacement premises for HAS fleet maintenance are currently scheduled to be completed by September 30, 2021. Amendment No. 4 will enable HAS fleet maintenance to continue operating at Aero's Building G premises for 4 additional months.

The pertinent terms of Amendment No. 4 are as follows:

- Premises: 10,800 square feet of space in Central Cargo Building G – Suite 300 at 18201 Viscount (same as present).
Use: Premises shall be used and occupied solely for the servicing of vehicles owned and operated by HAS (same as present).
Use Term: City's use of the Premises on a month-to-month basis shall be allowed to continue until September 30, 2021, terminable by either party upon thirty (30) days' advance written notice to the other party.
Monthly Use Fee: \$13.70 per square foot per year. Based upon the square footage of the Premises, deemed to be 10,800 square feet, the Monthly Use Fee shall be \$12,330.00 per month. Credits against the rent Aero owes the City are currently being used but are set to be exhausted near the end of May 2021; after such time, payments will be issued to Aero not to exceed the maximum contract amount of \$51,706.45.

Fiscal Note:

Funding for this item is included in the FY2021 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Director's Signature:

DocuSigned by: Mario Diaz
Mario C. Diaz
Houston Airport System

Table with 4 columns: DEPARTMENT, FY 2021, OUT YEARS, TOTAL. Row 1: Houston Airport System, \$14,716.45, \$36,990.00, \$51,706.45

Prior Council Action:

11/30/82 (O) 82-1881
09/26/01 (O) 2001-876
03/05/14 (O) 2014-178
8/13/14 (O) 2014-767
5/24/17 (O) 2017-0355

Amount of Funding:

\$51,706.45
HAS Revenue Fund
Fund 8001

Contact Information:

Todd Curry	281/233-1896
Molly Waits	281/233-1860