



**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date:

District E

Item Creation Date: 10/28/2022

HAS – Additional Appropriation for Enabling Work under a Ground Lease Agreement with Axiom Space, Inc. at Houston Spaceport at EFD

Agenda Item#:

**Background:**

**RECOMMENDATION:**

Enact an ordinance appropriating \$2,843,567.00 from the Airports Improvement Fund (Fund 8011) for a Ground Lease and Use Agreement with Axiom Space, Inc. in support of additional enabling projects needed to facilitate operations and development at Houston Spaceport at Ellington Airport (EFD).

**SPECIFIC EXPLANATION:**

On January 12, 2022, City Council enacted Ordinance 2022-0030, approving and authorizing Ground Lease and Use Agreement No. 4600016692 (Axiom Agreement) with Axiom Space, Inc. (Axiom) related to its Aerospace Operations and Technology Facility (“Axiom Project”) at Houston Spaceport at EFD. The City appropriated \$3,950,000.00 to complete the previously planned widening of Enterprise Shuttle Street on City property in connection with the Axiom Project and to construct improvements for the conveyance of storm water runoff from the Axiom Project Site to detention facilities previously constructed by the City. Pursuant to the Axiom Agreement, and to minimize disruption to Spaceport operations, streamline coordination, and increase efficiency, the City allowed Axiom to manage the development of the two enabling projects on its behalf, for which Axiom would be reimbursed for the actual costs and expenses incurred by Axiom pursuant to a budget and plans approved by the Houston Airport System (HAS) Director (“Director”).

Pursuant to Section 2.4 (b)(ii) of the Axiom Agreement, the parties agreed to accelerate the date upon which runway usability is achieved, currently desired to be April 1, 2023, to allow space station modules to be transported from the runway to Axiom’s project site for finish-out of such components, by extending a vehicle service road to the airfield. Additionally, access points to connect Spaceport development sites to existing Spaceport roadways are needed, as well as a lift station to support effective drainage of development sites. (These three projects are deemed “Other Enabling Projects.”) HAS determined that it is in the best interest of the City to appropriate \$2,843,567.00 under the Axiom Agreement to pay for the Other Enabling Projects, expenditures for which may be authorized by the Director following review and approval of supporting documentation. The Director shall be authorized to approve such additional work pursuant to the Axiom Agreement, and Axiom shall manage the enabling projects.

**Fiscal Note:**

No significant Fiscal Operating impact is anticipated as a result of this project.

**Director’s Signature:**

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Mario C. Diaz  
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Houston Airport System

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Andy Icken  
Chief Development Officer

**Prior Council Action:**

1/12/2022 (O) 2022-30

5/19/2021 (O) 2021-407

**Amount and Source of Funding:**

\$2,843,567.00

Airports Improvement Fund  
Fund 8011

**Contact Information:**

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