



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District B

Item Creation Date: 11/1/2024

HAS - Amendment No. 2 to Lease Agreement with Aero Houston Central, LP

Agenda Item#:

Background:

RCOMMENDATION:

Enact an ordinance approving and authorizing Amendment No. 2 to the Lease Agreement with Aero Houston Central, LP at George Bush Intercontinental Airport/Houston (IAH).

SPECIFIC EXPLANATION:

On March 9, 2005, City Council enacted Ordinance 2005-237, approving and authorizing a Lease Agreement with Aero Houston Central, LP ("Lessee") for Central Cargo premises at George Bush Intercontinental Airport/Houston (IAH), with an expiration date of December 31, 2024.

On August 22, 2012, City Council enacted Ordinance 2012-725, approving and authorizing Amendment No. 1 to the Lease, increasing the square footage of the Leased Premises.

Under the terms of the Lease Agreement, Aero Houston Central, LP and/or its subtenants may utilize the Leased Premises for purposes including warehouse space, cargo and courier mail services, ground handling facilities, rental office operations, air charter services, ground service equipment maintenance, aircraft repairs, and other aviation-related activities.

This Amendment No. 2 to the Lease Agreement includes the following provisions:

- An extension of the Lease Agreement for three (3) years, with two (2) one-year renewal options.
- A provision granting the City the right to terminate the Lease Agreement for convenience upon one (1) year's prior written notice or upon ninety (90) days' prior written notice for certain parking areas.
- The requirement for Lessee to expend a minimum of \$1,200,000.00 on improvements/renovations.
- An updated Rent schedule reflecting 3% annual increases.
- An exhibit with updated federal and state requirements that Lessee agrees to comply with.

This Amendment No. 2 will ensure the continued flexibility and effective management of the City's Central Cargo premises while accommodating the operational needs of Aero Houston Central, LP and its subtenants.

Fiscal Note:

Revenue for this item is included in the FY2025 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Director's Signature:

Initial
JK

DocuSigned by:

Jim Szczesniak

219BB453A1504CF

Jim Szczesniak
Houston Airport System

Estimated Revenue			
DEPARTMENT	FY2025	OUT YEARS	TOTAL
Houston Airport System	\$760,996.12	\$7,319,467.33	\$8,080,463.45

Prior Council Action:

03/09/2005 (O) 2005-237
08/22/2012 (O) 2012-725

Amount and Source of Funding:

REVENUE

HAS Revenue Fund

Fund 8001

Contact Information:

Todd Curry 281/233-1896

Francisco Cuellar 281/233-1682