



CITY OF HOUSTON - CITY COUNCIL

Meeting Date:

District E

Item Creation Date: 9/23/2025

HAS – Ground Lease Agreement with Venus Aerospace Corp. at EFD

Agenda Item#:

Background:

RECOMMENDATION:

Adopt an ordinance approving and authorizing a Lease Agreement with Venus Aerospace Corp. for an aircraft parts testing and development facility at Ellington Airport (EFD).

SPECIFIC EXPLANATION:

Venus Aerospace Corp. (Lessee) has requested to lease premises at Ellington Airport (EFD) to exclusively operate a facility and testing lab for aircraft parts testing and development for aerospace research and related purposes.

The pertinent terms of this Lease Agreement (“Lease”) are as follows:

1. Leased Premises: The Leased Premises include approximately 253,207 sq. ft., or 5.813 acres of unimproved land located at 1750 Clark St., Houston, TX 77034. Lessee will lease this property to construct a 105 ft x 81 ft concrete pad, which will incorporate a large U-shaped blast wall designed to safely direct engine exhaust for aerospace research and related purposes. Upon termination of this Lease, Lessee, at its sole cost and expense, shall restore the Leased Premises to its pre-existing condition, ensuring that it is suitable and ready for aeronautical use in compliance with FAA requirements.
2. Term: The Initial Term shall commence on the Effective Date of the Occupancy Phase for five (5) consecutive years. Lessee has the option to extend the Lease for one (1) additional five-year Option Period unless earlier terminated in accordance with terms and conditions of the Lease.
3. Rental Rate:
 - a) Construction Phase – From the Effective Date of the Lease until completion of construction, which shall be reflected by the City’s issuance of a Certificate of Occupancy confirming that a portion of the Project may be legally occupied, the rental rate shall be \$0.25 per square foot per year for a total Rental Rate of \$63,301.80 per year, or \$5,275.15 per month.
 - b) Ground Rent During the Initial Term – HAS shall charge Base Rent commencing on the Effective Date payable by Lessee for the Leased Premises in the amount of \$132,064.58 per year, or \$11,005.38 per month. A 3% increase in the Rental Rate will apply on the first anniversary of the Effective Date and annually thereafter through the end of the Initial Term.
 - c) Option Period – The Rental Rate shall be established by reappraisal of Leased Premises determined by an independent appraisal(s) including land and improvements made by Lessee. A 3% increase will apply to the Rental Rate then being paid, beginning on the fifth anniversary of the Effective Date and annually thereafter through the end of the Term, as extended by the Option Period.
4. Minimum Capital Investment: Lessee is required to expend a minimum of \$500,000.00 on capital improvements prior to the end of Lease Year 5. If the Option Period is exercised, the total Minimum Capital Investment for the Option Period is \$500,000.00.

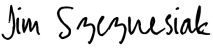
The Term of this Lease is intended to maintain the City’s flexibility and effective management of its land and facilities at EFD, while supporting the operational needs of Lessee.

Fiscal Note:

Revenue for this item is included in FY2026 Adopted Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

Director’s Signature:

Signed by:


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Jim Szczesniak
Houston Airport System

Estimated Revenue

DEPARTMENT	FY2026	OUT YEARS	TOTAL
Houston Airport System	\$47,476.35	\$780,276.03	\$827,752.38

Amount and Source of Funding:

REVENUE
HAS Revenue Fund
Fund 8001

Contact Information:

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