

**CITY OF HOUSTON - CITY COUNCIL**

Meeting Date:

District I

Item Creation Date: 11/16/2015

HAS - Amendment No. 1 to Lease with Black Forest Ventures at HOU

Agenda Item#:

**Background:**

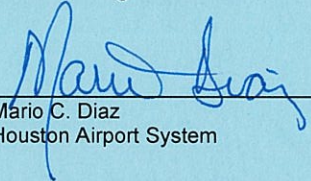
On October 1, 2014, City Council approved a Lease Agreement with Black Forest Ventures Aviation RE, LLC, ("Lessee") at William P. Hobby Airport (HOU).

Lessee has invested over \$500,000 to date on development of a fixed base operation on approximately 19 acres of vacant land on the south ramp at HOU. Due to the multiple development projects on the south ramp involving various tenants, FAA is requiring a series of studies (weather surveillance, navigation aids and antennae) for the south ramp. The unforeseen FAA studies are suspending all current and future south ramp tenant developments. Thus, HAS proposes to extend Lessee's right of entry term at a new rate to accommodate the additional time needed by FAA and HAS to complete the studies and implement any recommendations.

It is now requested that City Council approve Amendment No. 1 to the Lease Agreement ("Lease"); pertinent terms of the amendment are as follows:

- 1. Right of Entry Period:** Extend Right of Entry Period from six (6) months to three (3) years and reduce Right of Entry Period rent because the land cannot be developed until FAA studies are completed.
- 2. Term:** Lease Term to remain the same, with a 40-year term starting on the Commencement Date.
- 3. Investment Milestones:** Extend milestones to expend \$17 million in capital investment.

All other terms and conditions of the Lease will remain in full force and effect.

**Director's Signature:**

Mario C. Diaz  
Houston Airport System

**Prior Council Action:**

10/1/2014 (O) 14-896

**Amount of Funding:**

REVENUE

**Contact Information:**

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