



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 6/21/2016

District I

Item Creation Date: 6/15/2016

HAS - Lease Trans Texas Jet Partners, LP at HOU

Agenda Item#: 80.

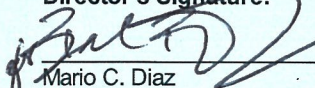
Background:

Trans Texas Jet Partners, LP, a corporate based operator, utilizing aircraft for operating affiliated business activities (Lessee), has requested to lease hangar and improvements located at 8421 Nelms Street, William P. Hobby Airport (HOU).

The pertinent terms and conditions of the lease agreement are as follows:

1. Premises:	Approximately 64,955 square feet of hangar and improvements, including 8,179 square feet of easement located at 8421 Nelms Street, HOU.
2. Term:	<p>The term is for fifteen (15) years from the date of countersignature (Effective Date), unless sooner terminated in accordance with the lease.</p> <p>The lease may be mutually terminated by written agreement of Lessee and the Director of the Houston Airport System. The Director of the Houston Airport System may terminate the Lease at any time after June 30, 2021, by giving the Lessee twenty-four (24) months advance, written notice – without any cost to the City. The Lessee may terminate this Lease at any time by giving the Director of the Houston Airport System six (6) months advance, written notice without any further unaccrued cost to the Lessee.</p>
3. Use:	Lessee shall use the leased premises as a corporate based operator in connection with Lessee's affiliated business activities.
4. Rent:	\$8,897.63 per month, \$106,771.56 per year. Rent will increase by 15% after each 5th year of the term.
5. Performance Security:	Lessee shall provide a performance bond or an irrevocable letter of credit in the amount of \$53,386, which represents six months' rent.
6. Capital Improvements:	Initial 5 year term \$200,000 capital investment requirement, and each 5th year requires \$75,000 capital investment.
7. Maintenance and Utilities:	Lessee shall assume the entire responsibility, cost and expense for all repair and maintenance of the leased premises.
8. Indemnification and Insurance:	Lessee shall indemnify and hold the City harmless and shall provide the required insurance in the limits as stated in the lease.
9. Environmental and Airport Rules:	Lessee shall comply with all federal, state and local environmental laws and all airport policies and procedures.
10. Other:	Lessee agrees to comply with all rules and regulations adopted by the airport and/or TSA and/or the FAA, and to comply with all federal, state and local statutes, ordinances, regulations and policies.

Director's Signature:


Mario C. Diaz
Houston Airport System

Amount of Funding:

Revenue:	\$106,771.56 per year
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