



CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 10/18/2016

District I

Item Creation Date: 9/27/2016

HAS - Central Helicopter Service Lease at Hobby Airport

Agenda Item#: 4.

Background:

Central Helicopter Service, Inc., an air-taxi/charter service (Lessee), has requested to lease hangar and improvements located at 8913 Paul B. Koonce Road, William P. Hobby Airport (HOU).

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

1. Premises: Approximately 51,549 square feet of hangar and improvements at 8913 Paul B. Koonce Road, HOU.
2. Term: The term is for ten (10) years from the date of countersignature (Effective Date), unless sooner terminated in accordance with the lease.
3. Use: Lessee shall use the leased premises as an operation of an air-taxi/charter service.
4. Rent: \$4,833.33 per month, \$58,000 annually
5. Performance Security: Lessee shall provide a performance bond or an irrevocable letter of credit in the amount of \$29,000, which represents six months' rent.
6. Capital Improvements: Capital Investment is \$40,000 annually the first five years of term, then an additional \$75,000 by end of year 7 (seven) of the term.
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

INW

Amount of Funding:

REVENUE: \$58,000 per year

Contact Information:

Rhonda Arnold 281/233-1618
Ian Wadsworth 281/233-1682