



## CITY OF HOUSTON - CITY COUNCIL

Meeting Date: 9/18/2018

District I

Item Creation Date: 8/23/2018

HAS - Lease with 1859-Historic Hotels, Ltd. at HOU

Agenda Item#: 4.

### **Background:**

### **RECOMMENDATION:**

Enact an ordinance approving a lease agreement between the City of Houston and 1859-Historic Hotels, Ltd., for certain premises at William P. Hobby Airport (HOU).

### **SPECIFIC EXPLANATION:**

1859-Historic Hotels, Ltd., (Lessee), has requested to lease a parking area and greenbelt located at 8181 Airport Blvd., William P. Hobby Airport (HOU).

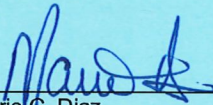
The pertinent terms and conditions of the lease agreement are as follows:

- 1. Premises:** Approximately 61,325 square feet of land improved with a parking area at 8181 Airport Blvd., 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 a parking area and greenbelt for its adjacent hotel property.
- 4. Rent:** \$52,500 annually, escalated 15% after initial five years.
- 5. Performance Security:** Lessee shall provide a performance bond or an irrevocable letter of credit in the amount of \$26,250, which represents six month's rent.
- 6. Maintenance and Utilities:** Lessee shall assume the entire responsibility, cost and expense for all repair and maintenance of the leased premises.
- 7. 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.
- 8. Environmental and Airport Rules:** Lessee shall comply with all federal, state and local environmental laws and all airport policies and procedures.
- 9. 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.

### **Fiscal Note:**

Funding for this item was included in the FY2019 Budget. Therefore, no Fiscal Note is required as stated in the Financial Policies.

### **Director's Signature:**

  
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Mario C. Diaz  
Houston Airport System

**Amount of Funding:**

<b>Estimated Fiscal Operation Impact (Projected Revenue)</b>			
<b>Fund Name</b>	<b>Current Fiscal Year</b>	<b>Out Years</b>	<b>Total</b>
HAS Revenue (8001)	\$39,375.00	\$525,000.00	\$564,375.00

**Contact Information:**

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**ATTACHMENTS:**

**Description**

Appraisal Part 1 of 2  
Appraisal Part 2 of 2  
RCA Budget Funding Information Request

**Type**

Backup Material  
Backup Material  
Financial Information