KRH
11/12/15
Item No. 15

AN ORDINANCE 2015-11-12-0944

AUTHORIZING AN AMENDMENT TO THE LEASE WITH SIERRA VICTOR, INC., AT SAN ANTONIO INTERNATIONAL AIRPORT EXTENDING THE TERM BY FIVE YEARS IN EXCHANGE FOR DEMOLITION OF TWO T-HANGARS.

* * * * * *

WHEREAS, Sierra Victor has been a tenant at San Antonio International Airport since 1996 and its lease is expiring October 31, 2016; and

WHEREAS, the City previously declared two T-hangars, buildings 1400 and 1401, located on the Sierra Victor leasehold to be surplus; and

WHEREAS, this Amendment will extend the Lease Agreement for an additional three years with two one-year optional extensions contingent upon Sierra Victor, Inc. demolishing the two T-hangars and erecting a security fence; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Manager, or her designee, is authorized to execute the lease amendment with Sierra Victor, Inc. extending the lease term for an additional three years with two one-year optional extensions at San Antonio International Airport contingent upon Sierra Victor, Inc. demolishing two existing T-hangars, buildings 1400 and 1401, a copy of which is set out in **Exhibit 1**.

SECTION 2. Funds generated by this Ordinance for rental income will be deposited into Fund 51001000, Internal Order 233000000004 and General Ledger 4409016.

SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance, may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This Ordinance shall be effective immediately upon the receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

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PASSED and APPROVED this 12th day of November, 2015.

M A Y O R
Ivy R. Taylor

ATTEST:

Leticia M. Vacek
City Clerk

APPROVED AS TO FORM:

Martha G. Sepeda
Acting City Attorney

Agenda Item:	**15 (in consent vote: 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 18, 19, 21, 22, 24, 25A, 25B)**
Date:	11/12/2015
Time:	12:21:40 PM
Vote Type:	Motion to Approve
Description:	An Ordinance authorizing an amendment to a lease agreement with Sierra Victor, Inc. to extend the term three additional years with two one-year optional extensions in exchange for the tenant demolishing two hangars at the San Antonio International Airport. [Carlos Contreras, Assistant City Manager; Frank Miller, Director, Aviation]
Result:	Passed

Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Ivy R. Taylor	Mayor		x				
Roberto C. Treviño	District 1		x				
Alan Warrick	District 2		x			x	
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5	x					
Ray Lopez	District 6	x					
Cris Medina	District 7		x				x
Ron Nirenberg	District 8	x					
Joe Krier	District 9		x				
Michael Gallagher	District 10		x				

Exhibit 1

THIRD AMENDMENT OF LEASE

THIS LEASE AMENDMENT ("Amendment") is made in multiple originals and entered into by and between the **City of San Antonio**, a Texas Municipal Corporation, (hereinafter "Lessor") acting by and through its Aviation Director, pursuant to Ordinance No. 2006-09-07-1034 adopted on September 7, 2006 and **Sierra Victor, Inc.,** a Texas business corporation (hereinafter "Lessee") acting by and through its designated officers pursuant to its Bylaws, or a Resolution of its Board of Directors.

WHEREAS, Lease No. 122128 ("Lease Agreement") for lease of ground and building space at the San Antonio International Airport ("Leased Premises") with Sierra Victor, Inc. was executed on October 18, 1996, pursuant to Ordinance No. 84988; and

WHEREAS, the City agrees to extend the term of the Lease Agreement for an additional three years with two one-year optional extensions in exchange for Lessee's demolition of two T-hangars, buildings 1400 and 1401 and the erection of a security fence; and

In consideration of the terms, covenants, agreements and demises herein contained, and in consideration of other good and valuable consideration, each to the other given, the sufficiency and receipt of which are hereby acknowledged, Lease No. 122128 by and between Lessor and Lessee, authorized by Ordinance No. 84988 and adopted on October 17, 1996, as amended, is further amended as follows:

1. TERM

The term of the Lease Agreement is hereby extended for an additional three-year period that shall end on October 31, 2019. The term of the Lease Agreement may thereafter be extended for two additional one-year periods upon mutual agreement of the Parties. The aforementioned Lease Agreement term extension is contingent upon Lessee completing all of the work listed in Section 2 hereof within 180 days of the date the Transportation Security Administration (TSA) approves the modification to the Airport Security Plan to include the permanent security fencing described in Article 2. Failure to complete all of the work listed in Section 2 hereof within the 180 day time period will result in the term of the Lease Agreement expiring on October 31, 2016, voiding the extension provided by the terms of this Amendment.

2. DEMOLITION

Lessee, in exchange for the extension of the Lease Agreement term set forth above, shall perform and complete the following work within 180 days of the Effective Date of this agreement:

i. Complete removal of existing T Hangars, ALP buildings 1400 and 1401, to include removal of all existing protruding structural concrete and building attachments flush with existing apron surface,

ii. Removal of existing hangar door rails to include patching concrete depressions smooth with existing apron pavement
iii. Infill approximately 250 linear feet of existing brick lug along perimeter of existing apron along exterior of existing hangar 1400
iv. Provide 2 escort officers for the duration of the work
v. Procure demolition permit for City of San Antonio and provide 10 day notice to Texas Department of State Health Services for demolition
vi. Haul off and dispose of all debris generated by demolition at an Environmental Protection Agency approved landfill
vii. Remove all existing electrical service wiring from existing hangars to existing main panels to include cutting and patching of all existing exposed conduits below the surface of the existing apron pavement
viii. Provide water filled barricades as required for traffic control
ix. Sweeping and cleaning of surrounding existing apron pavement
x. Installation of approximately 220 linear feet of new TSA approved permanent security fencing with 70% visibility privacy screening
xi. Ensure that all fencing installation is coordinated with the Aviation Department and TSA and is compliant with TSA and Aviation Department security regulations.

Except as amended hereby, all other provisions of the Lease Agreement are hereby retained in their entirety and remain unchanged.

EXECUTED AND AGREED TO this _____ day of _____, 2015.

LESSOR:
CITY OF SAN ANTONIO, TEXAS

By: _____
Sheryl Sculley
City Manager

LESSEE:
SIERRA VICTOR, INC.

By:_____

_____
Printed Name

_____
Title

APPROVED AS TO FORM:

By:_____
City Attorney