

AN ORDINANCE 2013-06-20-0454

AUTHORIZING AN AMENDMENT WITH HERTZ CORPORATION OPERATING AT THE SAN ANTONIO INTERNATIONAL AIRPORT EXTENDING THE TERM OF THE GROUND AND BUILDING LEASE AGREEMENT THROUGH ONE YEAR AFTER BENEFICIAL OCCUPANCY OF THE CONSOLIDATED RENTAL CAR FACILITY.

* * * * *

WHEREAS, the current ground and building lease agreement with Hertz Corporation (“Hertz”) was scheduled to expire on December 31,2012 and has been continued on a month-to-month basis; and

WHEREAS, the City is intending to construct a consolidate rental car (CONRAC) facility at San Antonio International Airport (Airport) to house all rental car firm operating at the Airport; and

WHEREAS, this Ordinance extends the term of the ground and building lease agreement with Hertz through one year after beneficial occupancy of the CONRAC allowing Hertz to operate at the airport while the new CONRAC is being designed and constructed; **NOW THEREFORE**,

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

SECTION 1. The City Manager or her designee is hereby authorized to execute an amendment to the existing contract with Hertz Corporation to extend the term of the ground and building lease agreement through one year after beneficial occupancy of the Consolidate Rental Car Facility at San Antonio International Airport, a copy of which is set out in **Exhibit 1**.

SECTION 2. Funds generated by this ordinance for ground space will be deposited into Fund 51001000, Internal Order 233000000008 and General Ledger 4409040.

SECTION 3. Funds generated by this ordinance for building space will be deposited into Fund 51001000, Internal Order 233000000008 and General Ledger 4409018.

SECTION 4. 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 5. This Ordinance shall take effect immediately upon receipt of eight affirmative votes; otherwise, it is effective ten days after passage.

KRH
6/20/13
Item No. 28A

PASSED and APPROVED this 20th day of June, 2013.



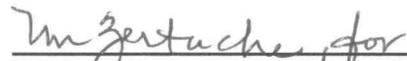
M A Y O R
Julián Castro

ATTEST:

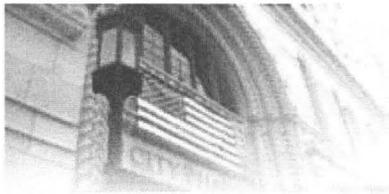


Leticia M. Vacek, City Clerk

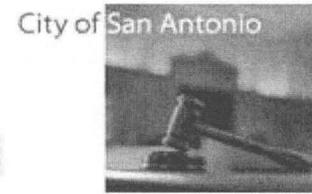
APPROVED AS TO FORM:



Michael D. Bernard, City Attorney



Request for
**COUNCIL
ACTION**



Agenda Voting Results - 28A

Name:	5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 20A, 20B, 21A, 21B, 22A, 22B, 25, 26, 27, 28A, 28B, 30, 31, 32, 33, 34B, 36, 37, 38, 39, 40, 41, 42, 44, 46A, 46B, 47A, 47B, 48B, 49A, 49B, 49C						
Date:	06/20/2013						
Time:	11:16:24 AM						
Vote Type:	Motion to Approve						
Description:	An Ordinance authorizing an amendment to a ground and building lease agreement with The Hertz Corporation for 310,179 square feet of ground space and 7,907 square feet of building space to extend the term through 1 year after beneficial occupancy of the Consolidated Rental Car Facility, generating \$193,043.10 in revenue commencing on January 1, 2013.						
Result:	Passed						
Voter	Group	Not Present	Yea	Nay	Abstain	Motion	Second
Julián Castro	Mayor		x				
Diego Bernal	District 1		x				x
Ivy R. Taylor	District 2		x				
Rebecca Viagran	District 3		x				
Rey Saldaña	District 4		x				
Shirley Gonzales	District 5		x				
Ray Lopez	District 6		x			x	
Cris Medina	District 7		x				
Ron Nirenberg	District 8		x				
Elisa Chan	District 9		x				
Carlton Soules	District 10		x				

EXHIBIT 1

**SAN ANTONIO INTERNATIONAL AIRPORT
LEASE AMENDMENT NO. 1**

THIS LEASE AMENDMENT is made in multiple originals and entered into by and between the **City of San Antonio**, a Texas Municipal Corporation, (hereinafter "City" or "Lessor") acting by and through its City Manager, pursuant to Ordinance No. _____ adopted on _____, _____ and **The Hertz Corporation.**, a Delaware corporation (hereinafter "Lessee") acting by and through its duly authorized officer.

WHEREAS, City and Lessee entered into a San Antonio International Airport Lease dated July 6, 2010, as authorized by Ordinance Number 2010-06-17-0543; ("Lease") and

WHEREAS, the Agreement was scheduled to expire on December 31, 2012 and has been continued on a month-to month basis; and the parties desire to extend the term with due consideration of external factors including the construction of a consolidated rental car facility at San Antonio International Airport and the City's desire recapture the Leased Premises to make them available for aeronautical use; NOW THEREFORE,

In consideration of the terms covenant, agreements and demises herein contained and for other good and valuable consideration, each to the other given, the receipt and sufficiency of which is hereby mutually acknowledged, City and Lessee agree to amend the Lease as follows:

1. Term. The term of the Lease is hereby extended for a period beginning on January 1, 2013 and continuing through such date as shall be twelve months after beneficial occupancy of the Consolidated Rental Car Facility ("CONRAC") that City intends to construct at San Antonio International Airport. The date of the CONRAC beneficial occupancy shall be designated by the Aviation Director in a written communication to Lessee.

In the event that the CONRAC project is cancelled, City shall have the right to terminate this Agreement by delivering twelve months' advance written notice of termination to Lessee. In the event that the CONRAC project is cancelled, this Agreement may not extend beyond June 30, 2017.

Lessee shall have the right to terminate this Agreement at any time by delivering no less than four months' advance written notice of termination to City.

This Lease shall not be subject to further term extensions.

2. Rent. The following is added at the end of Section 2.1:

<u>Period</u>	<u>Premises</u>	<u>Area (ft²)</u>	<u>Annual Rate Per ft²</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
01/01/13 through 12/31/14	Ground	310,179	\$0.50	\$155,089.50	\$12,924.13
	Building	7,907	\$4.80	\$37,953.60	\$3,162.80
			TOTAL	\$193,043.10	\$16,086.93

<u>Period</u>	<u>Premises</u>	<u>Area (ft²)</u>	<u>Annual Rate Per ft²</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Effective 01/01/15	Ground	310,179	\$0.58	\$179,903.82	\$14,991.99
	Building	7,907	\$5.52	\$43,646.64	\$3,637.22
			TOTAL	\$223,550.46	\$18,629.21

3. Standard Provision 1.1 is replaced in its entirety with the following:

“1.1 On January 1, 2015, the rental rates shall increase by fifteen percent (15%).”

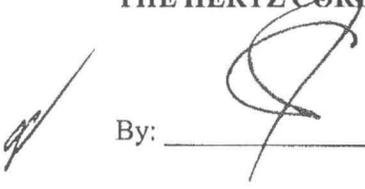
4. This Amendment sets forth the entire agreement between the parties. Except as amended herein, all of the terms and provisions of the Agreement between the parties shall remain in full force and effect. In case of any inconsistency between the provisions of the Agreement and this Amendment, the later provision shall govern and control.

5. The Amendment shall be effective as of January 1, 2013.

IN WITNESS WHEREOF, the City and Lessee have executed this Amendment as of the date below indicated.

THE HERTZ CORPORATION

CITY OF SAN ANTONIO

By:  _____

By: _____
Sheryl L. Sculley, City Manager

Simon Ellis

Print Name

Date: _____

Its: Staff Vice President,
Real Estate and Concessions
Date: 5/22/13

APPROVED:

City Attorney