

## CITY COUNCIL MEMORANDUM

### AGENDA ITEM

**Skylark Field Lease Agreement - Texas State  
Technical College (TSTC)**

### ORIGINATING DEPARTMENT

**Department of Aviation**

### BACKGROUND INFORMATION

A 6,400 square-foot hangar designed to accommodate a variety of common corporate jets, turbo-prop aircraft, or helicopters and includes appropriate administrative space adaptable for office, classroom, shop space, restrooms, shower, kitchen, and related amenities has been available for lease at Skylark Field since December 31, 2014.

### DISCUSSION/CONCLUSION

Staff has negotiated a lease agreement with TSTC for the lease of the hangar. TSTC is the only state-supported technical college system in Texas whose role and mission is "to efficiently and effectively help Texas meet the high-tech challenges of today's global economy in partnership with business and industry, government agencies, and other educational institutions." Through use of this facility, TSTC will bring a rotary-based curriculum and flight training program to Skylark and the Central Texas region and provide quality education and training for future rotary-wing pilots and aircrew.

The lease agreement is for an initial term of three (3) years beginning July 1, 2015, with two (2) successive automatic one-year extensions unless the tenant notifies the airport 60 days in advance of its intent not to renew the agreement. The tenant will pay the airport \$3,100 per month during the first year. Beginning on the first anniversary of the term and each anniversary thereafter, the base monthly rental amount will increase by an amount equal to the percentage of change in the Consumer Price Index (CPI) for All Urban Consumers as published by the United States Department of Labor, Bureau of Labor Statistics. At the end of the five years, the tenant will have the option to renew the agreement under terms that would be renegotiated and approved by Council at that time.

### FISCAL IMPACT

This lease agreement will provide for initial gross revenue of \$37,200 per year with CPI increases each year through years two to five of the lease. Additional revenue is expected through the sale of fuel for the aircraft. Revenues will be deposited in the Skylark Field Airport Enterprise Fund.

### RECOMMENDATION

City Council approve the attached lease agreement with TSTC and authorize the City Manager to execute same and any subsequent amendments to the lease.