

CITY COUNCIL MEMORANDUM

AGENDA ITEM

Harris Originals of Killeen, TX, Inc. Retail Concession Lease Agreement

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

Representatives of Harris Originals of Killeen, TX, Inc. have approached staff with a request to operate a seasonal kiosk business in the terminal building at Killeen-Fort Hood Regional Airport from October through December 2015 offering jewelry and watches to the public.

DISCUSSION/CONCLUSION

Staff has negotiated a concession lease agreement with Harris Originals of Killeen, TX, Inc., d/b/a Harris Jewelry for the operation of a jewelry and watch sales kiosk at the Killeen-Fort Hood Regional Airport with a term of October 1, 2015 through December 31, 2015. The tenant will have the option to extend the term on a month-to-month basis for up to nine additional months. Tenant will pay minimum basic rents and fees of \$400 at the beginning of each month and will also pay 15% of monthly gross revenues between \$3,125 and \$30,000 and 5% of gross revenues that may exceed \$30,000.

FISCAL IMPACT

This agreement will generate \$1,200 in revenue to the airport enterprise fund account #525-0000-324.05-00 (Airport Rent & Concession) during fiscal year 2015-2016. Additional revenues depend upon the actual retail activity the business generates at the airport.

RECOMMENDATION

City Council approve the attached concession lease agreement with Harris Originals of Killeen, TX, Inc. to be effective October 1, 2015 and to authorize the City Manager to execute same.