



City of Killeen

Legislation Text

File #: RS-15-041, Version: 1

Consider a memorandum/resolution approving Addendum No. 3 to the Killeen Fort Hood Regional Airport Subway Real Estate LLC lease agreement.

AGENDA ITEM

Killeen Fort Hood Regional Airport Subway Real Estate LLC Lease Agreement Renewal

ORIGINATING DEPARTMENT

Aviation

BACKGROUND INFORMATION

The airport's lease agreement with Subway Real Estate, LLC expires on September 30, 2015. Terms of the current lease agreement provide the tenant with an option to extend the agreement for an additional five-year term under terms and fees as set by the City Council.

DISCUSSION/CONCLUSION

Staff has negotiated an addendum with Subway Real Estate, LLC to extend the current lease agreement by five years. Basic rental and concession fees will remain at the current rate of 6% of the first \$20,000 of monthly gross revenue and 7% of monthly gross revenues exceeding \$20,000. The minimum monthly rent is \$1,100 per month. The addendum also provides an option for one additional five-year extension at terms and fees as would be set by Council at that time.

FISCAL IMPACT

Total annual revenue to the Killeen-Fort Hood Regional Airport Enterprise Fund represented by this lease agreement is approximately \$14,500 in account number 525-0000-324.05-00 AIRPORT RENT & CONCESSION.

RECOMMENDATION

That the City Council approve Addendum No. 3 to the Subway Real Estate, LLC lease agreement extending the term for a period of five years beginning October 1, 2015 and ending September 30, 2020 and authorizing the City Manager to execute same.