



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting September 22, 2020
Second Reading Ordinance for the City Council Meeting September 29, 2020

DATE: August 21, 2020

TO: Peter Zaroni, City Manager

FROM: Fred Segundo, Director of Aviation
FredS@cctexas.com
(361) 289-0171 ext. 1213

Authorize the amendment of current lease agreement with Tailwind MC, LLC of Wilmington, NC to include approximately 999 square feet of retail, news and gift concessions vacated by Hudson Ltd. on August 21, 2020.

CAPTION:

Ordinance authorizing the City Manager to execute an amendment of the lease with Tailwind CRP, LLC, to provide space for the operation of a news and gift concession at Corpus Christi International Airport in exchange for payment of a percentage of gross sales revenues or a minimum annual guarantee, whichever is greater; extending the lease expiration date to August 14, 2022; providing for publication; and providing for severance.

SUMMARY:

Amend agreement by assignment to Tailwind MC, LLC an additional of 999 sq. ft. of retail concessions space to the lease.

BACKGROUND AND FINDINGS:

On March 26, 2013, the City Council approved Ordinance No. 029776 authorizing a five-year lease agreement with Hudson for operation of a news and gift shop at Corpus Christi International Airport. Hudson's lease expired on April 30, 2018 and went to a month to month agreement from May 1, 2018 to August 14, 2020. Hudson subsequently terminated their lease on July 20, 2020, and we accepted the termination agreement on August 10, 2020. On August 15, 2013, the City Council approved Ordinance No. 029899 authorizing Tailwind MC, LLC to operate the airport's restaurant and coffee/snack bar on the concourse.

This amendment will extend the current contract terms of Tailwind MC, LLC and add the news and gift shop space for 12 additional months. The terms and conditions remain unchanged at the greater of an annual minimum guarantee of \$117,558 or a sum equal to ten percent (10%) of the Tailwind gross receipts, for a term of one (1) year. The current agreement expires August 15, 2021, and this extension will end all three leased spaces on August 15, 2022. We will RFP all three spaces together in early summer of 2021.

ALTERNATIVES:

RFP space separately - not desirable to have news and gift shop closed.

FISCAL IMPACT:

The terms and conditions remain unchanged at the greater of an annual minimum guarantee of \$117,558 or a sum equal to ten percent (10%) of the Tailwind gross receipts, for a term of one (1) year. The current agreement expires August 15, 2021, and this extension will end all three leased spaces on August 15, 2022.

This is a concession and lease agreement that will continue to provide revenue to the Airport on a monthly basis that's both fair to the City and Concessionaire.

Funding Detail:

Fund:	4610 Airport Fund
Organization/Activity:	35000 – Airport Administration
Mission Element	888
Project # (CIP Only):	N/A
Account:	320340 - Restaurant Minimum Guarantee

RECOMMENDATION:

Staff requests approval of Ordinance.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Amendment to Long Term Lease Agreement