

**Land Lease/Development  
Agreement  
United States Coast Guard Facility**



**CITY OF CORPUS CHRISTI  
AND  
FDL – CC, LLC**

**JANUARY 8, 2013**

# Overview



- The USCG, through the GSA, approved a 20 year lease for a new development at the Corpus Christi International Airport.
- Project will consist of an office building, hangar, ground service equipment repair facility, and aircraft parking ramp.
- Contracting with a private developer eliminates financial and development risk.
- The selected developer is a partnership between FD Stonewater and the Lynxs Group, who have extensive experience with GSA contracting and airport development.

# Major Deal Points



- **20 Year Ground Lease with 4- five year renewal options**
- **Market based land rent to the City plus a 51% distribution of all excess rents after cost and fees**
- **FDL - CC, LLC assumes all financial risk for development financing and costs**
- **All facilities revert to the City at the end of the lease**
- **Development fee- 4%, GSA consulting/negotiation fee- \$2.00 per square foot, asset management fee- 1.25%, and property management fee- 3%**
- **80% of hard construction costs to be awarded to local contractors**

# Who is FDL – CC, LLC?

## FD Stonewater

*Owner, advisor and developer of real estate leased to the federal government*

- Completed 4,000+ federal related lease transactions; totaling 35 million sq. feet
- 80% of buildings developed exclusively for feds have been for DHS-related entities (like U.S. Coast Guard)
- Recently delivered multiple federally leased buildings in Texas (all DHS)

## Lynxs

*International Real Estate Development firm specializing in airport real estate and transportation infrastructure assets*

- Portfolio of 4.2 million SF in North America, Latin America and Europe of aviation facilities
- Track record navigating the restrictive and highly regulated environments of airports and, specifically, with FAA

# Buy Local



- Goal to support economic development within Corpus Christi community by maximizing local participation
  - Requirement for “Buy Local” threshold structured into ground lease
- Independent Project Director– all design, engineering, general contracting and subcontractors are non-affiliated 3<sup>rd</sup> parties which will ensure the greatest level of local participation.
- Initial interview process scheduled to begin week of January 14<sup>th</sup>
  - Will interview all local candidates
  - Selection of most qualified candidates



# Airport Advisory Board

---



- **Unanimous support**
- **Priorities for Board**
  - Fair market financial return
  - Eliminate financial risk
  - Partnering with an experienced group with significant federal real estate / GSA and airport facilities experience

# Summary and Recommendation



- **USCG facility at the airport is a priority for the community**
- **Partnering with FDL – CC, LLC provides expertise and eliminates financial risk for the City**
- **Fair market ground rent guaranteed and potential for upside from excess revenue split**
- **Staff recommends approval**