



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting February 28, 2023  
Second Reading Ordinance for the City Council Meeting March 7, 2023

**DATE:** February 28, 2023  
**TO:** Peter Zaroni, City Manager  
**FROM:** Kevin Smith, Director of Aviation  
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**Ordinance authorizing a One-Year Lease Agreement with ABM Aviation, for Terminal Offices at the Corpus Christi International Airport.**

### **CAPTION:**

Ordinance authorizing a one-year lease agreement with an option of five (5) additional twelve (12) month terms for renewal with ABM Aviation for two spaces inside the Airport Terminal building at the Corpus Christi International Airport (CCIA).

### **SUMMARY:**

Staff request City Council authorize a one-year lease agreement with an option of five (5) additional twelve (12) month terms for renewal with ABC Aviation. The proposed lease agreement will be between the City of Corpus Christi and ABM Aviation, for terminal offices located at the CCIA. The initial term is for one year with a monthly rent of \$1,240.33. The total annual cost equal: \$14,883.96. ABM Aviation will be subject to any rate adjustments based on current and future terminal rate assessments.

The lessee will occupy 165 square feet of office space within the terminal building.

Category	Square Feet	Annual Market Per Square Feet	Monthly Cost	Annual Cost
Office 1039.1	51.716	\$90.43	\$389.72	\$4,76.68
Office 1077	112.875	\$90.43	\$850.61	\$10,207.29
<b>Totals</b>	<b>165</b>		<b>\$1,240.33</b>	<b>\$14,883.96</b>

### **BACKGROUND AND FINDINGS:**

ABM Aviation operates in over 75 airports inside and outside of the United States and has operated at CCIA since 2002. ABM supports the airlines and their passengers by

providing specialized customer service to patrons in need of additional assistance, such as those in need of wheelchair access and support. ABM staff escorts passengers throughout the terminal property by assisting them onto a wheelchair, pushing them through the complex, through the TSA security checkpoint, into the gate lounge, down the loading bridges, taking them to the restroom, helping with carry-on items, and into the airplane. Their services are heavily relied upon and used every day by the tenant airlines at CCIA. Approximately, sixteen (16) full-time employees work inside the terminal building.

The company has contracted with each airline to provide services, and the fees for their service are paid by the airlines. Historically, ABM has not leased space inside the Terminal Building, but instead stored equipment in airlines' leased space. As airport activity increases and ABM's workforce grows, they have encountered a need for allocated storage space for equipment and operational space for personnel, to conduct interviews, take breaks, and administrative duties.

**ALTERNATIVES:**

City Council can choose to authorize the one-year lease agreement with (5) twelve (12) month terms for renewal or not authorize the one-year lease agreement. If the lease agreement is not authorized, ABM Aviation will continue to store equipment and materials in the leased space of their customers (the airlines) and continue to use public spaces to hold interviews and take breaks. However, as business continues to grow, ABM's use of these public spaces may have impacts on operations and overall customer experience. An alternate space would need to be identified.

**FISCAL IMPACT:**

The proposed new lease agreement will provide CCIA with a total annual rent revenue of \$14,883.96 per year, with an annual two percent escalation clause for the duration of the lease.

**FUNDING DETAIL:**

Fund:	4610
Organization/Activity:	35000
Mission Element:	271
Project # (CIP Only):	N/A
Account:	320460 (Terminal Space Rental)

**RECOMMENDATION:**

City staff recommends approval of the one-year lease agreement. The Airport Board recommended approval of the lease agreement at their regularly scheduled meeting.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Lease Agreement with Exhibits