



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting March 19, 2024
Second Reading Ordinance for the City Council Meeting March 26, 2024

DATE: March 19, 2024
TO: Peter Zaroni, City Manager
FROM: Kevin Smith, Director of Aviation
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Ordinance authorizing a five-year lease amendment with the General Services Administration to extend the Transportation Security Administration lease agreement at the Corpus Christi International Airport.

CAPTION:

Ordinance authorizing Lease Amendment No. 8 to the lease agreement between the City of Corpus Christi and the U.S. General Services Administration for office, terminal, and counter space at the Corpus Christi International Airport by the Transportation Security Administration from March 1, 2024, through February 28, 2029, for minimum annual rent of \$622,923.87.

SUMMARY:

The Transportation Security Administration (TSA) leases land inside the terminal building to support their staff. Space includes a training room, break room, restrooms and locker rooms, staff offices, a supervisor's office at the checkpoint, supplies and storage, and spaces for other uses.

BACKGROUND AND FINDINGS:

Since beginning operations at the Corpus Christi International Airport, the TSA has leased large amounts of terminal space to support their staff. The most recent lease was drafted and executed on behalf of the TSA by the General Services Administration (GSA) and expires in March 2024. Airport staff communicated with the GSA in early 2024 and both parties have agreed to extend the lease agreement without modifying the spaces that are being leased.

The new lease agreement consists of 6,663 square feet that is located on the first and second floor of the terminal building. Space also includes space on the terminal roof for antennas and transmitters and surface parking spaces. Total annual rent amounts to \$622,923.87.

ALTERNATIVES:

Alternatives include allowing the current lease to enter a holdover status or continue to allow TSA to occupy these spaces without a lease agreement.

FISCAL IMPACT:

	Years 1 - 5	
	Annual Rent	Annual Rate / RSF (as rounded to the nearest penny)
Shell Rental Rate	\$602,535.09	\$90.43
Operating Costs	\$20,388.78	\$3.06
Parking	N/A	N/A
Full-Service Rate	\$622,923.87	\$93.49

¹ Operating Cost Base for purposes of adjustment shall remain \$3.061347 PER RSF

² Parking costs are included in the Shell Rent

FUNDING DETAIL:

Fund: 4610
Organization/Activity: 35000
Department: 53
Project # (CIP Only): n/a
Account: 320460

RECOMMENDATION:

City staff recommend approval of this action item.
The Airport Board recommended approval of this action item at their regularly scheduled Airport Board meeting.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Lease Amendment