



## AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting August 29, 2023  
Second Reading Ordinance for the City Council Meeting September 5, 2023

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**DATE:** August 29, 2023

**TO:** Peter Zaroni, City Manager

**FROM:** Kevin Smith, Director of Aviation  
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**Ordinance authorizing the execution of a five-year lease agreement with ARINC, Inc. for aeronautical radio services.**

### **CAPTION:**

Ordinance authorizing a five-year lease agreement with automatic renewal of two additional five-year terms with ARINC, Incorporated for space on the ground floor of the terminal building at the Corpus Christi International Airport.

### **SUMMARY:**

The lease is for the purpose of maintaining and operating aeronautical communication equipment that provides air and ground data communications to aircraft operating two hundred nautical miles from Corpus Christi International Airport (CCIA).

The term of the lease is for five years with two five-year renewals for storage space of 30 square feet at a cost of \$2,712.90 annually. The space is located within a utility closet inside the Terminal Building.

### **BACKGROUND AND FINDINGS:**

Aeronautical Radio, Incorporated, also known as ARINC, was founded in 1929 and is a cornerstone company that provides communication and systems engineering solutions for the aviation industry. The company is a long-time tenant of the airport and provides data and communications services to airline tenants. CCIA does not utilize any services provided by ARINC; the company has contracts with all incumbent airlines and federal agencies.

ARINC's previous lease agreement expired, and new terms were negotiated with the company, including an escalation in rent resulting from a terminal rates and fees assessment completed in 2022. They are currently operating on a month-to-month basis until a new lease is agreed upon.

**ALTERNATIVES:**

Alternatives include allowing ARINC to operate on a month-to-month basis, or removing ARINC from the terminal building, losing the valuable service to airline tenants.

**FISCAL IMPACT:**

The proposed new lease agreement will provide CCIA with a total annual rent revenue of \$2,712.90 per year.

**FUNDING DETAIL:**

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

**RECOMMENDATION:**

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

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Lease Agreement