



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting November 9, 2021
Second Reading Ordinance for the City Council Meeting November 16, 2021

DATE: November 9, 2021

TO: Peter Zaroni, City Manager

FROM: Kevin Smith, Director of Aviation
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Ordinance authorizing the City Manager to execute a lease agreement with Emerald City Cargo, LLC to occupy first floor terminal space at the Corpus Christi International Airport

CAPTION:

Ordinance authorizing execution of a one-year lease with Emerald City Cargo, LLC, for cargo storage and office space at the Corpus Christi International Airport in exchange for an annual payment of \$18,903.00, with such lease having up to five one-year renewals.

SUMMARY:

The lease agreement is for terminal space located on the first floor of the cargo area located at 1000 International Drive. The terminal space consists of 703 square feet of storage, 489 square feet of office space, and 1,200 square feet in the common area. Their total lease equates to 1,192 sq ft at \$18,903 per year.

BACKGROUND AND FINDINGS:

Emerald City Cargo, LLC currently occupies space out of a hangar on the east side of the airfield. Since the majority of their business is with Southwest Airlines, they prefer to relocate to the terminal for easier access. The space Emerald City is moving into is in the west end of the Terminal Building. This area was being used for storage of airport equipment and materials in lieu of a tenant. Once the Airport began developing the space and looking for tenants, it was cleared of the equipment and given minor finishing renovations like fresh paint, LED lights, new doors, etc. Emerald City's lease includes 489 sq ft of office space at \$1.87/sq ft per month, and 703 sq ft of cargo storage space at \$0.94/sq ft per month. The former space will be included in the FBO RFP to meet minimum standards for acreage.

ALTERNATIVES:

Emerald City Cargo, LLC could remain at their existing site.

FISCAL IMPACT:

Revenue will moderately increase with the removal of the previous management agreement fee and updated rate structure.

FUNDING DETAIL:

Fund:	4610
Organization/Activity:	35000 – Airport Administration
Mission Element:	888
Project # (CIP Only):	N/A
Account:	320230

RECOMMENDATION:

City staff recommend approval of this action item.

LIST OF SUPPORTING DOCUMENTS:

Ordinance
Lease Agreement with Exhibits