



AGENDA MEMORANDUM

First Reading Ordinance for the City Council Meeting May 9, 2023
Second Reading Ordinance for the City Council Meeting May 16, 2023

DATE: May 9, 2023
TO: Peter Zaroni, City Manager
FROM: Kevin Smith, Director of Aviation
KevinS4@cctexas.com
(361) 289-0171

Ordinance authorizing a two-year lease agreement with automatic renewal of three additional one-year terms with Emerald City Cargo

CAPTION:

Ordinance authorizing a two-year lease agreement with an automatic renewal of three additional one-year terms with Emerald City Cargo, LLC for office space inside the Airport Terminal building at the Corpus Christi International Airport (CCIA).

SUMMARY:

The proposed lease agreement will be between the City of Corpus Christi and Emerald City Cargo, for premises located at the Corpus Christi International Airport (CCIA) for an initial term of twenty-four months and three extension periods of one year each.

Monthly rent due will be no less than the rent for the footprint of the lease as calculated by a Terminal Rates Assessment completed on November 3, 2022. However, if the product of 7% of Lessee’s monthly gross revenue from the premises exceeds the monthly minimum rent based on the square footage of the space, monthly rent shall instead be 7% of gross revenue for the month.

The lease agreement is for retail space at 1000 International Drive. The lessee will occupy 103 square feet of retail space within the terminal building.

Category	Square Feet	Annual Market Per Square Feet	Monthly Cost	Annual Cost
Office 1075	103.0	\$90.43	\$776.19	\$9,314.29
Totals	103.0		\$776.19	\$9,314.29

BACKGROUND AND FINDINGS:

Emerald City Cargo currently operates a cargo facility on the west end of the terminal building in support of Southwest Airlines. They have been a tenant at the airport since 2020. During their tenure as a contractor for Southwest, they relocated their cargo operation into the terminal building from an auxiliary hangar elsewhere on airport property.

In the proposed lease space, Emerald City Cargo proposes opening a retail shipping service that offers packaging and shipping services to the public. The new venture would support a new workforce to provide the services.

ALTERNATIVES:

Alternatives include not leasing the terminal space to Emerald City Cargo and leaving it vacant. Alternatives also include leasing the space to a different tenant for the same or different services.

FISCAL IMPACT:

The proposed new lease agreement will provide CCIA with a total annual rent revenue of \$9,314 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