



## **AGENDA MEMORANDUM**

First Reading Ordinance for the City Council Meeting of December 13, 2016  
Second Reading Ordinance for the City Council Meeting of December 20, 2016

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**DATE:** November 4, 2016  
**TO:** Margie C. Rose, City Manager  
**FROM:** Fred Segundo, Director of Aviation  
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Authorize lease agreement with Driscoll Children's Hospital (DCH) for hangar and office space at Corpus Christi International Airport for purposes of establishing a ground ambulance service facility for pediatric patients.

### **CAPTION:**

Ordinance authorizing the City Manager or designee to execute a lease agreement with Driscoll Children's Hospital for hangar, office and parking space at the Corpus Christi International Airport for a lease term of three years, with an option to renew for two additional one-year periods.

### **PURPOSE:**

The agreement sets out the terms and conditions between Corpus Christi International Airport (CCIA) and Driscoll Children's Hospital (DCH) to allow DCH to lease hangar, office and parking space at 302 International Drive on airport property. DCH plans to renovate the property and base its ground ambulance team at the airport. The ambulance team will transport pediatric patients between CCIA and DCH. Currently Sterling Air Service provides contractual air ambulance to DCH and has a separate hangar lease with CCIA.

### **BACKGROUND AND FINDINGS:**

Driscoll Children's Hospital (DCH) was built in 1953 and serves as the primary hospital for children in Corpus Christi and the surrounding areas. DCH is a 189-bed pediatric tertiary care center with pediatric specialists representing 32 medical and 13 surgical specialties. Care is offered throughout South Texas, including Corpus Christi, the Rio Grande Valley, Victoria and Laredo. In 2015, DCH had more than 159,000 patient visits including 40,000 patients seen at South Texas' first emergency room created specifically for pediatrics.

In August 2015, Sterling Air Service received City Council approval to lease hangar space at CCIA. Shortly thereafter, DCH representatives contacted airport staff about leasing property in proximity to Sterling Air as the two entities work together to transport pediatric patients. Relocation of DCH's ground ambulance team to CCIA will provide operating efficiencies and better response times. Airport staff recommended the hangar /office facility located on 302 International Drive which encompasses 91,250 square feet of space. The subject airport property was previously leased and operated by Corpus Christi Helicopter until 2013 and most recently has been used by the Airport for equipment storage and a staging area for City Fire response vehicle.

Driscoll Children's Hospital DCH will pay a fair market monthly rental fee of \$915.50 as determined by the independent appraisal firm, Aviation Management Consulting Group (AMCG). DCH will make improvements of up to \$200,000 which will offset monthly rent. The facility and improvements will remain the property of the City/CCIA.

**ALTERNATIVES:**

No viable alternative exists.

**OTHER CONSIDERATIONS:**

N/A

**EMERGENCY / NON-EMERGENCY:**

Non-Emergency

**DEPARTMENTAL CLEARANCES:**

Legal  
Financial Services  
Management and Budget

**FINANCIAL IMPACT:**

☐ Operating      ☒ Revenue      ☐ Capital      ☐ Not applicable

<b>Fiscal Year: 2016-2017</b>	<b>Project to Date Expenditures (CIP only)</b>	<b>Current Year</b>	<b>Future Years</b>	<b>TOTALS</b>
Line Item Budget		\$8,352,710		\$8,352,710
Encumbered / Expended Amount		0		0
This item <i>(additional revenue)</i>		8,240		\$8,240
BALANCE		\$8,360,950		\$8,360,950

Fund(s): Airport Fund - 4610

**Comments:** None

**RECOMMENDATION:**

Staff recommends approval of the ordinance as presented.

**LIST OF SUPPORTING DOCUMENTS:**

Ordinance  
Lease Agreement  
Exhibits A, B, C, D  
Picture of Building