

## AGENDA



Thursday, November 19, 2009

**Aviation  
RECOMMENDATION FOR COUNCIL ACTION****Item No. 10**

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**Subject:** Authorize negotiation and execution of a lease with Clean Energy, a California Corporation, of approximately 16,800 square feet of land at Austin-Bergstrom International Airport for a compressed natural gas motor vehicle fueling station, for an initial term of ten years, with the option to renew for up to two additional terms of five years each.

**Amount and Source of Funding:** Revenue Generating Lease.

**Fiscal Note:** There is no anticipated fiscal impact. A fiscal note is not required.

**For More Information:** Patti Edwards, Aviation Director, 530-6366.

**Boards and Commission Action:** Recommended by the Austin Airport Advisory Commission.

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Under the proposed lease, Clean Energy will design, install, construct, operate and maintain a compressed natural gas (CNG) fueling station at the Airport. The station will serve both public and private motor vehicles that are fueled by CNG. The station will be located adjacent to the existing propane fueling station on Spirit of Texas Drive.

Increasing numbers of fleet vehicles are being powered by CNG, including many that operate at the airport. Both off-airport parking lot operators have plans to convert their airport shuttle buses to CNG from diesel or other fuels. (The Airport's own parking shuttle fleet is also alternatively fueled - using propane.) CNG burns cleaner than gasoline or diesel fuel, and produces substantially less NOX and other emissions. The use of CNG also reduces reliance on foreign oil imports.

The lease would be for a term of ten years from the date the station opens, with the option to renew for up to two additional terms of five years each. For the use and occupancy of Airport land, Clean Energy would pay the greater of a minimum annual guarantee of \$5,000 or a "royalty" of five cents per gasoline gallon equivalent (GGE) of CNG sold to retail customers. The rental rates would increase for renewal terms. In addition, City CNG-powered vehicles would be entitled to fuel at the station for a discounted rate.