



**Lease Agreement/Renewal  
CITY OF AUSTIN  
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.:** 2  
**AGENDA DATE:** Thu 01/29/2004  
**PAGE:** 1 of 1

**SUBJECT:** Approve the negotiation and execution of a Lease Agreement with Temple-Inland Forest Products Corporation (Temple-Inland), Austin, TX, for a tract of 2.4 acres at Austin-Bergstrom International Airport to construct, operate, manage, maintain, finance and develop a minimum of one corporate aircraft hangar building.

**AMOUNT & SOURCE OF FUNDING:** Revenue generating contract. Fiscal Year 2003-2004 revenue is projected to be \$12,197.00. This revenue is not reflected in the Department of Aviation's (DOA) Approved Fiscal Year 2003-2004 budget. Revenue over the life of the initial thirty (30) year term of the lease is estimated at \$627,270.00 to the DOA.

**FISCAL NOTE:** There is no unanticipated fiscal impact. A fiscal note is not required.

**REQUESTING** Aviation  
**DEPARTMENT:**

**DIRECTOR'S**  
**AUTHORIZATION:** Jim Smith

**FOR MORE INFORMATION CONTACT:** Charles W. Gates, Director of Finance and Administration - (512) 530-7526

**PRIOR COUNCIL ACTION:** N/A

**BOARD AND COMMISSION ACTION:** Recommended by Austin Airport Advisory Commission.

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The DOA desires to enter into an Agreement with Temple-Inland to construct corporate aircraft hangar buildings used to store corporate aircraft owned or operationally controlled by Temple-Inland together with all necessary and appropriate aircraft aprons, taxiways, detention ponds, motor vehicle parking areas, pedestrian walkways, and landscaping.

The lease term is for thirty (30) years and will provide for an initial ground lease rate of \$.20 per sq. ft. per annum or annual rent of \$20,909.00, subject to escalation during the term in accordance with the consumer price index or other mutually acceptable index. The development area is located west of the City T-Hangars.