



## Recommendation for Action

**File #: 22-2132, Agenda Item #: 63.**

**6/16/2022**

### **Posting Language**

Approve a resolution authorizing the filing of eminent domain proceedings and payment to acquire the property interest needed for the Airport Expansion and Development Program for the public use of constructing, improving, equipping, maintaining, operating, and regulating Austin-Bergstrom International Airport property to accommodate the relocation of airport taxiways, which results in the requirement of the acquisition of real property rights consisting of the leasehold interest related to 25.14 acres of land being a part the Santiago Del Valle Ten League Grant Survey, Abstract No. 24, Travis County, Texas being out of a called 1989.252 acre tract to the City of Austin in a Deed Without Warranty Recorded in Document Number 2002002218 of the Official Public Records of Travis County, Texas currently appraised at \$1,954,000 subject to an increase in value based on updated appraisals or a Special Commissioner's award. The owner of the needed property is LoneStar Airport Holdings, LLC, a Delaware limited liability company. The property is located at 10000 Logistics Lane, Austin, Texas 78719. The general route of the project is limited to 10000 Logistics Lane, Austin, Texas 78719.

### **Lead Department**

Financial Services Department.

### **Fiscal Note**

Funding in the amount of \$1,954,000 is available in the Fiscal Year 2021-2022 Capital Budget of the Department of Aviation.

### **For More Information:**

Michael Gates, Financial Services Department, (512) 974-5639; Diana Justice, Financial Services Department, (512) 974-7170; Tracy Thompson, Department of Aviation, (512) 530-5023.

### **Additional Backup Information:**

In March 2016, the City entered into a 30-year Lease and Concession Agreement (South Terminal Agreement) with the affiliate of LoneStar Airport Holdings LLC (Tenant) for improvements to and the operation of the South Terminal.

The City of Austin is currently pursuing the Airport Expansion and Development Program (AEDP) that provide for improvements to the Barbara Jordan Terminal and the building of a midfield concourse with 10+ new gates, new taxiways, and a connector tunnel. The AEDP requires the relocation of the existing midfield taxiways. Based on the advice of independent airfield design consultants, the Department of Aviation has determined that the safest, most operationally efficient, and most cost-effective alignment of the future taxiways require closure and removal of the South Terminal. To implement the closure and removal of the South Terminal building and related infrastructure, terminating Tenant's leasehold interest in the South Terminal will be necessary.

On July 13, 2021, the Department of Aviation sent a memorandum to the City Council providing an update on the AEDP and providing notice that the City intends to terminate Tenant's existing leasehold interests in the South Terminal by July 2023.

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The City has attempted to purchase the needed property at 10000 Logistics Lane, Austin, Texas 78719. The City and property owner have been unable to agree on the value of the needed acquisition. The Law Department is requesting authorization to file an action in eminent domain on behalf of the City, and to authorize the City to pay for the property interest in an amount determined by the appraisal, updated appraisal (s), or a Special Commissioners' "award."

**Strategic Outcome(s):**

Mobility, Government that Works for All.