



## MEMORANDUM

**TO:** Mayor & Council

**CC:** Spencer Cronk, City Manager  
Gina Fiandaca, Assistant City Manager

**FROM:** Jacqueline Yaft, Executive Director  
Aviation Department

**DATE:** November 7, 2019

**SUBJECT:** South Terminal at Austin-Bergstrom International Airport

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### Purpose

The purpose of this memo is to update you on the status of the South Terminal facility at Austin-Bergstrom International Airport (AUS).

### Brief Background

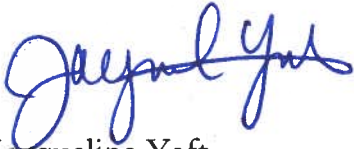
On June 18, 2015, Council authorized negotiation of a lease with Highstar Capital IV, L.P. (Highstar) for up to 30 acres of land at AUS to improve, operate, and maintain a limited services terminal for a 30 year term with two 5 year extensions. On August 27, 2015, Council authorized the execution of the lease with Highstar (South Terminal Lease).

### Current Status

In October 2019, the Department of Aviation (Aviation) learned of Highstar's interest to sell all or part of its leasehold interest in the South Terminal. Aviation does not wish for another private entity to be fully or partially responsible for the operation and maintenance of the South Terminal. Aviation believes it is in the best interest of the City for Aviation to regain control of the facility and maximize the use of it throughout the development of the 2040 Airport Master Plan as well as improve customer service for all passengers traveling through the South Terminal and Barbara Jordan Terminal. Accordingly, on Thursday, November 7, 2019, Aviation expressed an interest in acquiring

Highstar's leasehold interest in the South Terminal. Aviation stated a fair valuation of the leasehold interest at \$10 million dollars based on the South Terminal Lease and the costs the City will incur to repair the facility. Aviation will keep you informed as additional information becomes available.

Should you have any questions or need additional information, please do not hesitate to contact me.



Jacqueline Yaft  
Executive Director