

Legislation Details (With Text)

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Title: FedEx Cargo and Parking Facility Lease

Attachments:

Date	Ver.	Action By	Action	Result
11/27/2017	1	City Council Business Meeting	Approve	Pass

FedEx Cargo and Parking Facility Lease

Action

- A. Approve a 10-year lease with FedEx Corporation for cargo space,**
- B. Approve a 10-year lease with FedEx Corporation for a parking facility, and**
- C. Authorize the City Manager to approve up to two additional, five-year renewal terms for each lease consistent with the purpose for which the lease was approved.**

Staff Resource(s):

Brent Cagle, Aviation
Haley Gentry, Aviation

Explanation

- FedEx Corporation currently leases two cargo facilities from the Airport; the leases are set to expire in September 2018.
- Under the new leases, FedEx will combine its two cargo facilities into one existing facility located at 4100 Yorkmont Road and construct a 4,500 square foot maintenance facility addition. Additionally, FedEx requires a separate tractor trailer parking facility.
- Aviation will construct the addition to the existing cargo facility and the tractor trailer parking lot. The estimated cost for both facilities is \$2,400,000. Actual costs upon construction completion for each facility will be calculated on a 10-year amortization schedule.
- The facility lease of the existing cargo facility inclusive of facility rent, ground rent, and airport services fee is \$533,355 annually or \$5,333,550 for a 10-year total.
- The parking facility lease is estimated to be \$215,530 annually inclusive of improvements, ground rent, and airport service fee or \$2,155,300 for a 10-year total.