

Legislation Text

File #: 15-9420, Version: 1

American Express Travel Related Services Company, Inc. Lease

Action:

- A. Approve a 10-year lease agreement with American Express Travel Related Services Company, Inc., and**
- B. Authorize the City Manager to amend the lease for two, five-year lease extensions consistent with the purpose for which the agreement was approved.**

Staff Resource(s):

Brent Cagle, Aviation
Haley Gentry, Aviation

Explanation

- The East Terminal Expansion Phase II project is located at the Airport between Concourse D and Concourse E with an anticipated opening of summer 2019 (Council District 3). The project includes an upper level containing approximately 13,295 square feet of leasable space.
- American Express Travel Related Services Company, Inc. will lease this space for a Centurion Lounge, which is expected to open in fall 2019.
- This lease includes a one-time payment of \$5,000,000 and a minimum of \$3,000,000 of on-property advertising expenditures over the initial 10-year term.
- The annual rent is \$525,701 with a total 10-year lease value of \$10,500,000, which includes annual price adjustments.

Airport Concessions Disadvantaged Business Enterprise

The ACDBE participation goal will be negotiated based on the total expenses of goods and services for the agreement, not to exceed 50%. American Express Travel Related Services Company, Inc. has agreed to utilize certified ACDBE firms in order to meet or exceed the negotiated goal for the duration of this Agreement. The obligations of both the City and American Express Travel Related Services Company, Inc. under this Agreement shall be subject to the provision of all federal regulations relating to the ACDBE program.

Fiscal Note

Funding: Aviation's Operating Budget