



City of Austin

Recommendation for Action

File #: 24-6454, **Agenda Item #:** 6.

1/30/2025

Posting Language

Authorize negotiation and execution of an amendment to the lease with the Transportation Security Administration (TSA) to add two one-year extension options, and to provide for the issuance of a rent credit to TSA for reimbursement of costs incurred for remediation and site work on the leased premises, in an amount not to exceed \$195,354. Funding: This item is projected to result in a reduction in revenue under this contract in the amount of \$55,969 in the Fiscal Year 2024-2025 Aviation Department's Operating Budget.

Lead Department

Aviation

Fiscal Note

It is anticipated that the agreement as amended will reimburse TSA an estimated \$195,354 over an eight-year term in the form of a rent credit for cost incurred by the tenant on behalf of the Department of Aviation. This item is projected to result in a reduction in revenue under this contract in the amount of \$55,969 in the Fiscal Year 2024-2025 Aviation Department's Operating Budget. A fiscal note is attached.

For More Information:

Inquiries should be directed to Tracy Thompson, Airport Chief Officer - Business & External Affairs at tracy.thompson@flyaustin.com.

Council Committee, Boards and Commission Action:

Recommended for approval by the Austin Airport Advisory Commission on January 8, 2025.

Additional Backup Information:

Effective February 1st, 2023, the City of Austin and TSA adjusted TSA's leased site locations as amended by an additional 46,560 square feet of land for the relocation and placement of an office space trailer and an area for the K-9 explosive unit. The relocation was due to a forced move by the Department of Aviation and the Airport Expansion and Development Program (AEDP). TSA agreed to undertake the associated costs including surveying, design and engineering services, electrical site lighting, boundary modifications, exploratory work, hydrant flow tests, site correction review, electrical engineering review and design, and permitting fees. As in all forced tenant relocations, it is the Department of Aviation's obligation to pay the costs associated with the move, and therefore TSA would be reimbursed for these costs. During the project's site prep and exploratory work, asbestos was found in utility pipes and infrastructure. TSA also undertook the asbestos remediation process and costs, which included the removal and installation of conduit, air quality monitoring, removing asbestos pipe and converting to PVC material, excavating and relocating fire hydrant, relocating fence gate, and remediation and installation of water line. These costs would also be reimbursed by the Department of Aviation, as costs associated with the tenant relocation. Documentation and proof of the site prep and complete remediation of the asbestos, and payment by TSA for such remediation services for a total of \$195,354, was submitted and verified. The total amount will be issued as a rent credit towards their monthly payable rent until fully recovered.