



# City of Austin

## Recommendation for Action

**File #:** 25-0778, **Agenda Item #:** 3.

5/22/2025

### **Posting Language**

Authorize negotiation and execution of an amendment to the Amended and Restated Lease Agreement for the Airline Fuel Facility at Austin-Bergstrom International Airport with AUS Fuel Company, LLC, to modify the leased premises and add provisions related to the respective rights and obligations of the parties regarding the underground jet fuel pipeline to be designed, constructed, operated, and maintained by BATX Pipeline, LLC, and any appurtenant surface facilities to deliver jet fuel to the Airline Fuel Facility. Funding: If the pipeline project commences during Fiscal Year 2024-2025, this item is projected to result in unrealized revenue in the estimated amount of \$539.30 in the Fiscal Year 2024-2025 Operating Budget of the Department of Aviation.

### **Lead Department**

Aviation

### **Fiscal Note**

This item is projected to result in unrealized revenue in the estimated amount of \$539.30 in the Fiscal Year 2024-2025 Operating Budget of the Department of Aviation.

### **For More Information:**

Inquiries should be directed to Tracy Thompson, Airport Chief Officer - Business & External Affairs at [tracy.thompson@flyaustin.com](mailto:tracy.thompson@flyaustin.com), [<mailto:tracy.thompson@flyaustin.com>](mailto:tracy.thompson@flyaustin.com) 512-530-5023.

### **Council Committee, Boards and Commission Action:**

To be reviewed by the Airport Advisory Commission on May 14, 2025.

### **Additional Backup Information:**

The Department of Aviation seeks to amend the Amended and Restated Lease Agreement for the Airline Fuel Facility at Austin-Bergstrom International Airport with AUS Fuel Company, LLC, to modify the leased premises and add provisions related to the respective rights and obligations of the parties regarding the underground jet fuel pipeline to be designed, constructed, funded, financed, operated, and maintained by BATX Pipeline, LLC (BATX), and any appurtenant surface facilities under a separate license agreement between the Department of Aviation and BATX.

As part of the Bastrop-Austin Texas Pipeline project, BATX will design, construct, fund, finance, operate, and maintain a portion of the jet fuel pipeline and any appurtenant facilities at its sole cost on AUS property, as set forth in a separate license agreement to be negotiated and entered into between the City and BATX. This project will enable the airlines to transition from 100% reliance on truck delivery for jet fuel to a jet fuel pipeline system that provides a safer and more reliable and efficient primary delivery method for fuel to the AUS Fuel Facility.

The proposed lease amendment will remove from AUS Fuel's leased premises approximately 7,200 square feet of land to be transferred to the BATX licensed area and make a proportionate adjustment to the lease terms to account for such surrender. Such area is necessary for the above-ground pipeline connection which will be installed and maintained by BATX. The lease amendment is expected to include provisions necessary for completion of the pipeline project and ongoing access by and interface with BATX, and updates to the

---

notice provisions. It will also establish the respective rights and obligations of AUS Fuel and the City regarding the pipeline project and the pipeline's future operation.