



Legislation Text

File #: 22-2735, **Version:** 1

STRATEGIC PRIORITY: Transportation & Infrastructure

AGENDA DATE: December 14, 2022

COUNCIL DISTRICT(S): 2

DEPARTMENT: Department of Aviation

EXECUTIVE: Kimberly Bizer Tolbert

SUBJECT

Authorize **(1)** the first amendment to the lease with the United States Customs and Border Protection ("CBP") at Dallas Love Field (the "Airport") to extend the lease by two one-year terms with an additional one-year renewal option to support its operations at the Airport; and **(2)** a reimbursement in an estimated amount of \$5,000.00, annually for utilities servicing the CBP leasehold - Estimated amount of \$15,000.00 - Financing: Aviation Fund (see Fiscal Information)

BACKGROUND

Dallas Love Field Airport (the "Airport") is currently designated as a User Fee Airport through the United States Customs and Border Protection ("CBP") Service. As part of the designation, CBP requires that a secure facility be provided for its operations. On September 8, 2010, the Dallas City Council authorized a contract for the construction of a CBP facility at the Airport, and subsequently on December 8, 2010, authorized a memorandum of understanding with CBP detailing its operations at the new facility.

On September 9, 2015, City Council authorized two leases with The Braniff Centre, LP ("Braniff Centre") for commercial and aviation uses at the Airport. Each of the two leaseholds included a portion of the existing CBP facility. While the CBP facility was located within Braniff Centre's leasehold areas, all rights and obligations relating to the CBP facility were subject to the City's memorandum of understanding with CBP. However, CBP notified the Department of Aviation that its facilities must remain under the exclusive control of the Airport and cannot be part of another leasehold. In an effort to comply with this requirement, the City excluded the area occupied by CBP from both leases and took control of that space.

On October 28, 2020, City Council authorized a one-year lease agreement, with two one-year renewal options, with CBP. The terms of the lease agreement state that the term cannot extend beyond December 31, 2022. This first amendment extends the existing lease term by two additional one-year terms that will automatically renew on a year-to-year basis. At the expiration of the two additional one-year terms, the lease will automatically renew for one additional year, but not beyond December 31, 2025, unless CBP gives notice in writing of its intent not to renew.

Under the existing agreement, the City of Dallas is responsible for reimbursing CBP for all expenses related to the service. These expenses include at least one inspector assigned to work at the facility between the hours of 8:00 a.m. and 5:00 p.m., Monday through Friday. Any service provided outside of the regular hours may be subject to overtime hours. In addition, the agreement requires the City of Dallas to reimburse the CBP for all required communications and data services hardware. The City must also make provisions for handling international garbage according to federal regulations and provide all utilities. All of the utilities servicing the CBP facility are paid for by Braniff Centre since they are connected to the same meters servicing Braniff Centre's leasehold. This agenda item also authorizes the City to reimburse Braniff Centre for CBP's pro-rata share of all utilities. All reimbursement costs will be recovered from International Arrivals Fees the Airport collects.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On October 28, 2020, City Council authorized the City Manager execute a one-year lease agreement with two one-year renewal options, with the United States Customs and Border Protection by Resolution No. 20-1679.

On January 26, 2011, City Council authorized an ordinance amending Chapter 5 of the Dallas City Code to establish international arrival fees for certain aircraft landing at Dallas Love Field and using United States Customs and Border Protection services by Resolution No. 11-0304.

On December 8, 2010, City Council authorized a Memorandum of Agreement with the U.S. Customs and Border Protection Agency by Resolution No. 10-3053.

On September 8, 2010, City Council authorized a contract for the construction of the CBP facility by Resolution No. 10-2322.

FISCAL INFORMATION

Fund	FY 2023	FY 2024	Future Years
Aviation Fund	\$3,750.00	\$5,000.00	\$6,250.00

Costs to be recovered through International Arrival Fees.