

ORDINANCE NO. 2024-O-272

AUTHORIZING THE CITY MANAGER TO EXECUTE AN AIRLINE LEASE AGREEMENT BETWEEN THE CITY OF LAREDO AND AEROTRANSPORTES RAFILHER S.A. DE C.V., D/B/A AERUS, SAN LUIS POTOSI, MÉXICO, FOR EXCLUSIVE USE SPACE AND JOINT USE SPACE LOCATED AT 5210 BOB BULLOCK LOOP AT THE LAREDO INTERNATIONAL AIRPORT TERMINAL BUILDING, TO CONDUCT COMMERCIAL AIR TRANSPORTATION SERVICES. THE PROPOSED LEASE TERM IS FOR ONE (1) YEAR COMMENCING ON NOVEMBER 1, 2024 AND ENDING ON OCTOBER 31, 2025, WITH AN OPTION TO RENEW FOR ONE (1) ADDITIONAL YEAR. AS AN INCENTIVE FOR NEW AIR SERVICE, THE CITY AGREES TO WAIVE 100% OF THE AIRLINE'S RENT, LANDING FEES, AND FIS FEE OBLIGATIONS FOR THE FIRST TWELVE (12) CONSECUTIVE MONTHS OF THE AIRLINE'S FLIGHTS TO THE LAREDO INTERNATIONAL AIRPORT; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City of Laredo recognizes the importance of expanding international air service to enhance connectivity, economic growth, and tourism between Monterrey, Nuevo León, Mexico, and Laredo, Texas, USA; and

WHEREAS, Aerotransportes Rafilher S.A. de C.V., D/B/A Aerus, has expressed interest in providing direct passenger air service between Monterrey and Laredo, contributing to the City's strategic goals for international engagement; and

WHEREAS, the City of Laredo desires to grant a lease for the use of designated facilities at Laredo International Airport to Aerotransportes Rafilher S.A. de C.V., D/B/A Aerus, under terms that support operational, safety, and regulatory standards;

WHEREAS, the Mayor and City Council of the City of Laredo having heard the recommendations of the Airport Director agree with the same.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF LAREDO THAT:

Section 1: Approval of Lease Agreement

The City Council of Laredo hereby approves the lease agreement with Aerotransportes Rafilher S.A. de C.V., D/B/A Aerus, which includes the following key terms:

1. **Lease of Facilities:** The City shall lease to the Airline designated exclusive use space and joint use space as specified in Article 4 of the agreement, for a term of one (1) year, renewable upon mutual agreement for one (1) additional year.
2. **Lease Payments and Fees:** The Airline shall pay the City a monthly rental fee, landing fees, and FIS fees as outlined in the lease agreement for leased space and shall remit a percentage of gross ticket revenue on flights operating on the Monterrey-Laredo route, as outlined in Article 7 of the lease agreement.
3. **Air Service Incentive Program:** Notwithstanding anything to the contrary, as an incentive for new Air Service, the City agrees to waive 100% of the AIRLINE's Rent, Landing Fees, and FIS Fee obligation for the first twelve (12) consecutive months of the Airline's flights to the Laredo International Airport.
4. **Flight Operations:** The shalll operate 5 weekly frequencies scheduled MTY-LRD-MTY (Monterrey, México – Laredo, TX – Monterrey, México) air service utilizing Cessna Grand Caravan EX aircraft configured for nine passengers in single-class seating.

Section 2: Operational and Compliance Standards

1. **Safety and Maintenance Standards:** The Airline shall adhere to all applicable standards set by the Federal Aviation Administration (FAA), Transportation Security Administration (TSA), and other relevant authorities, ensuring a safe and efficient operation.
2. **Environmental Responsibility:** The Airline will participate in Laredo International Airport's environmental initiatives, contributing to waste reduction and efficient fuel practices as part of its operational standards.
3. **Legal Compliance:** The Airline agrees to comply with all relevant federal, state, and local laws, including specific requirements for international flights as regulated by the United States and Mexican governments.

Section 3: Insurance and Liability

The Airline shall maintain liability insurance in amounts specified in Article 10 of the lease agreement to cover incidents related to airport operations and flight services. The Airline also agrees to indemnify and hold harmless the City of Laredo, its council members, officers, directors, employees, agents, successors against any claims arising from its activities under this agreement.

Section 4: Termination

Termination of Agreement: Either party may terminate the agreement by providing a thirty (30) days advance written notice if, or 30 days' notice in the event of a breach of contract.

Force Majeure: Both parties are relieved of their obligations under the agreement in the event of circumstances beyond their control, including but not limited to natural disasters, government actions, or significant disruptions in air travel.

Section 5: Effective Date

This Ordinance shall become effective upon passage hereof.

PASSED BY THE CITY COUNCIL AND APPROVED BY THE MAYOR ON
THIS THE ____ DAY OF _____, 2024.

DR. VICTOR D. TREVIÑO
MAYOR

ATTEST:

BY: _____
MARIO I. MALDONADO, JR
CITY SECRETARY

APPROVED AS TO FORM:

BY: _____
DOANH "ZONE" T. NGUYEN
CITY ATTORNEY