



City of Austin

Recommendation for Action

File #: 25-2377, **Agenda Item #:**

12/11/2025

Posting Language

Authorize negotiation and execution of an amendment to the Sublease with Federal Express Corporation to include portions of the Airport Cargo Apron Area for aircraft parking positions and Cargo Handling Area for air freight and mail handling operations at Austin-Bergstrom International Airport, commencing on January 1, 2026. Funding: This item is projected to be revenue neutral in the Fiscal Year 2025-2026 Austin Aviation Operating Budget. The item consolidates the tenant's existing contracts related to the lease and use of Cargo Apron Areas and Cargo Handling Areas into the Sublease. Accordingly, the tenant's projected total rental revenue is unchanged.

Lead Department

Austin Aviation.

Fiscal Note

This item is projected to be revenue neutral in the Fiscal Year 2025-2026 Austin Aviation Operating Budget. The item consolidates the tenant's existing contracts related to the lease and use of Cargo Apron Areas and Cargo Handling Areas into the Sublease. Accordingly, the tenant's projected total rental revenue is unchanged.

For More Information:

Inquiries should be directed to Tracy Thompson, Airport Chief Officer - Business & External Affairs at tracy.thompson@flyaustin.com, 512-530-5023.

Council Committee, Boards and Commission Action:

To be reviewed by the Austin Airport Advisory Commission on November 12, 2025.

Additional Backup Information:

Austin Aviation seeks to streamline the contracts with cargo carriers related to the lease and use of Cargo Apron Areas, Cargo Handling Areas, and the lease and use cargo buildings by incorporating the Cargo Apron Area and Cargo Handling Area square footage into the cargo building leases. Federal Express Corporation (FedEx) currently has a cargo building lease with the City for a term of occupancy through June 30, 2027. Under this amendment, FedEx will have preferential use of approximately 79,333 square feet of cargo handling space in the Cargo Handling Area and approximately 74,008 square feet of aircraft parking area in the Airport Cargo Apron Area.