



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
www.cityofdenton.com

---

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Transportation

**CM/ DCM/ ACM:** Mario Canizares

**DATE:** June 20, 2017

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas approving a consent to assignment of an airport lease between J.R. Almand, M.D. and CFD Integration, LLC /D/B/A CFDI Aero; and providing an effective date. Council Airport Committee Recommends (2-0).

### **BACKGROUND**

The Dr. JR Almand lease agreement is a 25-year agreement dated April 18, 1989, effective May 1, 1989 to April 30, 2015. The lease had an option to extend for two, five-year terms to April 2025 which were executed in 2015. The 31,319 square foot leasehold is located at 5088 Sabre Lane on the north end of the Airport with leasehold improvements that include a 12,000 square foot hangar, aircraft parking ramp and an access taxiway to Taxiway Alpha.

Airport staff has been advised through Dr. J.R. Almand's attorney, Kenneth A. Herridge, that he has developed a sales agreement with a third party, CFD Integration (CFDI), to assign or sell his client's existing Denton Enterprise Airport leasehold agreement and related improvements. CFDI is an aircraft maintenance operation that has been in business at the Denton Airport for over five years. CFDI has indicated they wish to expand their presence at the Denton Airport and has indicated they intend to make certain improvements to the facility. The improvements would include enhancements to the access taxiway and aircraft ramp, as well as aesthetic enhancements to the facility and additional vehicle parking, if necessary.

CFDI has shown a desire to seek an extension of the lease via renegotiated terms at a future date. The proposed assignment will require a change to paragraph V. Rights and Obligations of Lessee to allow for commercial maintenance to be conducted in the hangar which is amenable to Airport staff.

### **OPTIONS**

1. Approve the proposed ordinance consenting to assignment of the lease agreement as requested by Dr. JR Almand and assignee CFDI.
2. Provide staff with additional direction on the proposed assignment of the Almand lease to CFDI.
3. Take no action at this time.

### **RECOMMENDATION**

Council Airport Committee recommended approval of the assignment at their June 5, 2017 meeting (2-0).

### **ESTIMATED SCHEDULE OF PROJECT**

If the consent to assign ordinance is adopted, the assignment would be effective immediately.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

Council approved the lease agreement on April 18, 1989, Resolution 89-031.

The Council Airport Committee considered this item on June 5, 2017 and recommended approval of the proposed assignment 2-0.

**FISCAL INFORMATION**

This property lease is for 31,319.64 square feet of land originally leased in 1989 for an annual lease rate of \$2,505.57. The current annual lease rate, which includes annual Consumer Price Index adjustment, is \$4,741.80 or \$0.15 per square foot.

A transfer fee of \$500 will be required by Assignor.

**STRATEGIC PLAN RELATIONSHIP**

The City of Denton’s Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

**Related Key Focus Area: Economic Development**  
**Related Goal: 1.1 Manage financial resources in a responsible manner**

**EXHIBITS**

- 2. Site map
- 3. Request to assign dated May 30, 2017
- 4. Council Airport Committee Draft Minutes Dated June 5, 2017
- 5. Ordinance - Assignment and Assumption Agreement

Respectfully submitted:  
Mark Nelson  
Transportation Director