



# City of Denton

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

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Denton Enterprise Airport

**ACM:** Frank Dixon

**DATE:** June 10, 2026

### **SUBJECT**

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Land Lease Agreement between the City of Denton, Texas and Sheltair Aviation Denton, LLC, at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date.

### **BACKGROUND**

Sheltair Aviation Denton, LLC (“Sheltair”), a tenant of Denton Enterprise Airport currently leases land covering properties located at 4700 Spartan Drive, 4780 Spartan Drive, 4849 Spartan Drive, 4700 John Carrell, 4790 John Carrell, 4600 Spartan Drive, 4850 Spartan Drive, 5007 Airport Road, 5077 Sabre Drive, 5035 Warbird Drive, and 5050 Warbird Drive. In December 2025, Sheltair asked the City for approval to consolidate its seven leaseholds, which currently expire between 2047 and 2055, into a single unified lease agreement.

The consolidated lease will include 19 buildings totaling approximately 359,944 square feet, one (1) self-fueling station, two (2) fuel farms, and approximately 226,705 square feet of ramp area. The final ramp area includes approximately 185,000 square feet of that is currently covered under separate short-term license agreements. The assignment of this additional ramp space will support Sheltair’s long-term provision of services to itinerant (i.e. visiting) aircraft, such as corporate and cargo aviation operators.

Consolidating the leases and adding the licensed space to the leasehold, provides an opportunity to standardize lease provisions, align consumer price index (“CPI”) adjustment dates, and simplify long-term oversight for both the City and the tenant across all leased areas. The proposed consolidated lease would extend through 2056 with no extensions, resulting in 1 to 9 years added to the lease term for the existing facilities depending on the relevant lease agreement. The initial annual lease rate will be set at \$0.38 per square foot, increasing to \$0.40 per square foot beginning in 2027. Beginning in 2028, the rate will adjust every two years based on increases in the Consumer Price Index for All Urban Consumers (CPI-U). This rate is significantly higher than what is currently paid by many of the individual ground leases that will be consolidated. In addition to rental adjustments, Sheltair will commit to a \$3,330,000 capital investment in existing facilities during the first 10 years of the consolidated lease. The scale and nature of the required improvements are sufficient to justify the lease term extensions and must meet the criteria for enhancing the useful life of the facilities, Generally Accepted Accounting Principles standards for capital expenditures.

### **STAFF RECOMMENDATION**

Airport Staff recommends approval of the Sheltair Aviation Denton, LLC Lease Agreement (**Exhibit 3**).

### **FISCAL INFORMATION**

The initial annual lease rate will be set at \$0.38 per square foot, resulting in a total first-year rent of \$598,921.42, which represents an increase over the current annual land lease of \$ \$132,537.36. Beginning one year after the commencement date, the rate will adjust to \$0.40 per square foot, yielding an annual total of \$630,443.60.

### **EXHIBITS**

1. Agenda Information Sheet
2. Location Map
3. Sheltair Aviation Denton, LLC Lease Agreement

Respectfully submitted:  
Ryan Adams, C.M.  
Airport Director