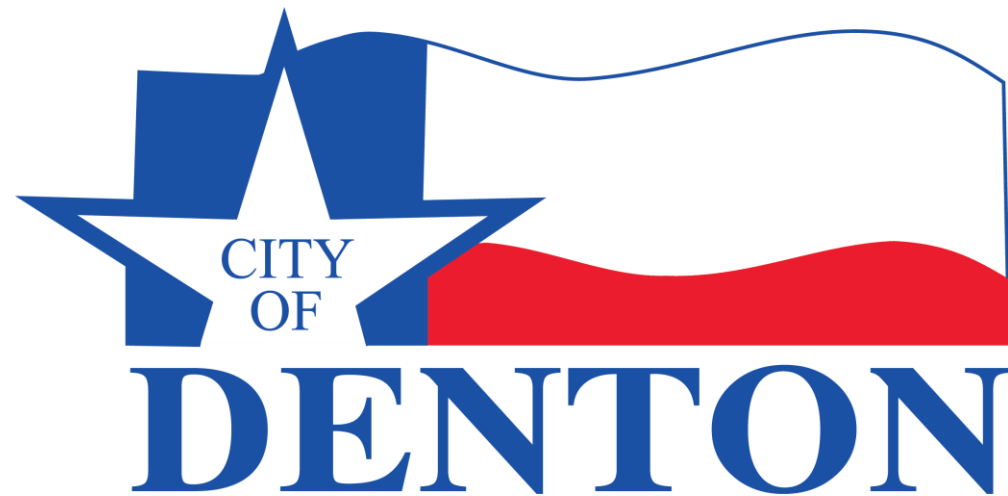


Ground Lease Agreement
City of Denton &
Denton City Federation of Women's Clubs



Christine Taylor, Assistant City Manager

May 5, 2026

ID 26-0757

Current Conditions

- The City of Denton currently holds a lease agreement with the Denton City Federation of Women's Clubs (Federation).
- The lease was originally executed in 1927 for a total of \$1.00 for the full term (99 years) and is set to expire in August 2026.
- The Federation constructed the Woman's Club Building as a civic, cultural, and educational gathering space.
- The building is located within Quakertown Park and is designated a local historical landmark.

Prior Council Direction

- In September 2022, City Council held a work session to explore methods for commemorating former Quakertown residents.
 - The City Council provided direction to incorporate memorial elements into the Design Downtown Denton plan.
 - Adopted in September 2024, this plan focuses on the redesign of Quakertown Park to acknowledge its layered history but did not include the use of the Woman's Club Building as a museum space.

Key Terms

The proposed ground lease was drafted using a framework to balance community benefit and clarity for future decision-makers.

- Term: An initial 20-year lease with two 10-year options for renewal (subject to Council approval), totaling a potential 40-year term.
- Reduced Footprint: From 28,790 to 18,000 sq/ft, no exclusive parking
- Land Valuation: Fair Market Value = \$27,720 annually
- Financial Terms: The Federation will pay an annual rent of \$1,320, with CPI adjustments every five years.
- Community Benefit (In-Kind): The City will receive 24 full-day rentals annually for municipal use or City-sponsored events. Value of \$26,400
- Historical Marker: Installed within 180 days of lease commencement

Public Purpose

The lease agreement is focused on the Public Purpose through defined Mission and Goals of the Federation.

The Federation operates on a nonprofit basis for exclusively charitable, educational, and literary purposes.

The mission of the Denton City Federation of Women's Clubs is to further the common good and general welfare of the Denton community by promoting broader culture and the mutual improvement of the public in literature, music, and art.

Annual Goals

Public Cultural and Programming

The Federation shall present no fewer than three public programs annually that promote cultural enrichment in the Denton community. Such programs may include, but are not limited to, lecture, performance, or educational events held at the Building and open to the general public.

Community Fundraising and Building Stewardship

The Federation shall conduct fundraising activities in support of the preservation and maintenance of the Building. Such activities may include, but are not limited to, participation in the Denton Arts and Jazz Festival, the Footlight Fundraising Series, Denton Holiday Lighting or other events designed to generate community support

Reporting Requirement

Annual Report submitted to the City's Parks Recreation, and Beautification Board regarding the annual goals met the prior year, building condition, and capital plan, as well as Federation' plans for the next year.

End of Term Options

The lease includes clear end of term options for the future Council:

One year before the end of the termination

1. The City and Federation may agree on a new lease; or
 2. The Federation may remove the Building; or
 3. The City may purchase the Building at fair market value.
- If none of the above occur within 180 days after final expiration, the City will have the option to transfer ownership of the Building or take ownership itself.
 - If the Federation dissolves or is in default, the Building may transfer to a successor nonprofit selected by the City, with conditions.

Recommendation

Staff recommends approval of ordinance authorizing the City Manager to execute a lease agreement with the Denton City Federation of Women's Clubs for approximately 18,000 square feet of land located at 610 Oakland Street, situated in Quakertown Park for a twenty (20) year initial term with two ten (10) year renewal options.