



AGENDA INFORMATION SHEET

DEPARTMENT: Denton Enterprise Airport

ACM: Frank Dixon

DATE: July 14, 2026

SUBJECT

Consider approval of a resolution of the City of Denton approving an amended Airport Leasing and Development Policy; and providing an effective date. Airport Advisory Board recommends approval (6-0)

BACKGROUND

The Airport Leasing and Development Policy (“Policy”), adopted on Oct. 15, 2024, sets forth the parameters that shall be used by the City of Denton (“City”) for leasing land and/or improvements for commercial or non-commercial general aviation purposes at the Denton Enterprise Airport (“Airport”).

A policy governing the Airport's approach to leasing property supports a well-organized and comprehensive approach to leasing, encourages transparency and consistency, demonstrates equity between leases, and creates process efficiency in the application and lease negotiation process. It also reduces the risk of inadvertent non-compliance with federal regulations.

The current policy is organized into five (5) articles:

Article I	•Introduction, Purpose, Authority, Applicability
Article II	•Principal Development Criteria, Application, Approval, RFPs
Article III	•Lease Terms and Conditions, Maintenance and other Requirements
Article IV	•Rent, Fees, Lease Term
Article V	•Lease Reversion

Airport Leases

As the Airport Sponsor (i.e., owner and governing entity), the City is required to own and maintain control of airport land at all times; thus, airport property may not be sold for development. Instead, the City leases land on a long-term basis (up to 30 years or more), after which the lessee will construct and occupy an aircraft hangar or aeronautical facility. At the end of the lease term, ownership of the improvements will revert/transfer to the City, at which point the City may elect to:

- Lease the improvements, generally for 3-5 year terms; or
- Redevelop the land for a new aeronautical use

The lease relationship is designed to be mutually beneficial to both the lessee and the City:

City Receives:	Lessee Receives:
<ul style="list-style-type: none">• Good, dependable aeronautical activity• A reliable Airport revenue stream• Broader economic benefits from commercial developments (jobs, tax revenues, etc.)• Expectation of ownership of teh improvements (post-lease)	<ul style="list-style-type: none">• Airfield access• Below market value lease rental rate• Sufficient time to amortize investment• Reliable customer base and profit opportunity for commercial developments

Federal Obligations and FAA Grant Assurances

As a recipient of Federal Aviation Administration (“FAA”) Airport Improvement Program funding, in addition to other federal funding, the City is obligated to operate Denton Enterprise Airport (“Airport”) under FAA Grant Assurances.

The Policy supports the City’s compliance with the Grant assurances by:

- Ensuring the City maintains sufficient control over airport property,
- Maintains equity and prevents unjust discrimination in its leasing practices,
- Ensuring leases do not inhibit the City’s ability to operate and maintain the Airport, and
- Promotes a fee and rental structure that is as self-sustaining as possible,

Policy Amendments

The following amendments to the policy are being proposed:

All Articles

- Minor grammatical corrections and clarifications

Article I

- New provision granting the ability of the Director to modify the Policy in certain cases. This language is consistent with similar language in the Airport Rules and Regulations (approved in October 2025) and the Airport Minimum Operating Standards.

Article II

- An Airport Pre-Leasing Application Meeting (PLAM) is required for prospective applicants.
- Establishes the documents that must be provided at the PLAM, including a site plan.
- Clarifies criteria for lease application approval:
 - Airport application approval (i.e., conformance with Principal Development Criteria);
 - Participation by the applicant in a Development Services Pre-Application Conference; and
 - Payment of the applicable fee.
- Establishes that if two or more applications are received for a property prior to any one application being approved, the Airport will initiate a Request for Proposals process.
- Establishes that if the application is incomplete/rejected, the applicant may reapply within 90 days with no additional fee.
- Extends the exclusive negotiating period for Airport leases extended by 60 days (to a total of 180 days).
- Establishes that the applicant is responsible for acquiring an updated appraisal for the subject site.

- Removes detailed criteria required in order to consider a competitive process (in conflict with other provisions).

Article III

- Establishes a requirement that all leases include building permit and construction completion deadlines.
- Clarifies requirements for subleasing.
- Clarifies that a licensed commercial building inspector shall perform a condition assessment required under the lease.

Articles VI and V

- No substantive changes

OPTIONS

1. Approve the amended Policy
2. Table the item pending additional information or clarification

RECOMMENDATION

Staff recommends that the amended Policy be approved by the City Council for approval.

ESTIMATED SCHEDULE OF PROJECT

The amendments will take effect immediately for any new leases.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

June 13, 2026:	AAB Recommendation of the amended Airport Leasing and Development Policy
May 13, 2026:	AAB Work Session
Jan. 14, 2026:	AAB Work Session
Oct. 15, 2024:	City Council Approval of Airport Leasing and Development Policy
Sept. 11, 2024:	AAB Recommendation of Airport Leasing and Development Policy
May 8, 2024:	AAB Work Session
June 12, 2024:	AAB Work Session
Aug. 14, 2024:	Airport Advisory Board Work Session

EXHIBITS

1. Agenda Information Sheet
2. Resolution
3. Draft Airport Leasing and Development Policy (redline)
4. Draft Airport Leasing and Development Policy (clean)

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