



# 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:** November 13, 2024

### **SUBJECT**

Receive a report, hold a discussion, and provide recommendation to City Council regarding the approval of an Airport Master Land Lease Agreement and related Parcel Land Lease Agreements between the City of Denton, Texas and HC Aviation Property Holdings, Inc, at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date.

### **BACKGROUND**

The airport staff has initiated negotiations with HC Aviation Property Holdings, Inc to lease a 1.026-acres or 44,679 square feet for a four (4) site hangar storage development. The lease is proposed with a master land lease agreement for the development phase and once completed will be pieced out into four individual parcel land lease agreements. Each parcel land lease will have no less than 4,550 gross square feet of hangar to be utilized as hangar storage. Additionally, there will be off-street vehicular parking with capacity to meet or exceed local building regulations taking into consideration permitted use at peak demand.

The capital investment for the overall leased premises shall be a minimum of \$2,700,000.00. The overall capital investment meets the leasing investment requirements to receive a forty (40) year term lease. The lease will revert back to the City at the lease's end. The tenant shall be responsible for conducting a condition assessment report on their facilities during the term of the lease (the "Condition Assessment"). This shall be conducted in 5-year increments beginning at the 10th anniversary of the lease agreement.

### **STAFF RECOMMENDATION**

Airport Staff recommends approval of the Ordinance (**Exhibit 3**).

### **FISCAL INFORMATION**

The capital investment in the Improvements on the Leased Premises shall be a minimum of \$2,700,000.00, upon the completion of Improvement construction. The lease for this 1.026-acre parcel will be established for a term of forty (40) years. The initial annual lease rate will be set at \$0.38 per square foot, amounting to \$16,978.02. Commencing on the second anniversary of the approved lease and every two years thereafter, the lease rate will be adjusted in accordance with any increases in the Consumer Price Index for All Urban Consumers (CPI-U) as published by the U.S. Department of Labor Bureau of Labor Statistics, in accordance with the lease terms.

**EXHIBITS**

1. Agenda Information Sheet
2. Location Map
3. Master Lease Agreement and related Parcel Agreements

Respectfully submitted:  
Leanne Alexander, A.C.E.  
Airport Analyst