



# City of Denton

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

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## AGENDA INFORMATION SHEET

**DEPARTMENT:** Airport

**ACM:** Frank Dixon

**DATE:** June 28, 2022

### **SUBJECT**

Consider adoption of an ordinance of the City of Denton approving an Assignment of Airport Lease from 3KAM Real Estate, LLC to DTO 4858 LLC of an Airport Lease covering property at 4858 Lockheed Lane, Denton, Texas at the Denton Enterprise Airport; amending the existing airport lease; authorizing the City Manager to execute the Assignment of Airport Lease; and providing an effective date. Airport Advisory Board recommends approval (4-0).

### **BACKGROUND**

The 3KAM Real Estate, LLC, lease agreement is a 30-year agreement, dated May 7, 2019, effective March 19, 2019 to March 18, 2049. The lease term may be extended by two optional renewals, each for an additional five years. The granting of lease option renewals shall be at the sole discretion of the City. The 1.704-acre parcel includes one, 20,000 square foot building.

DTO 4858 LLC is acquiring the building facility for commercial use. The proposed assignment does include renegotiated terms or conditions, specifically, the following:

1. Section 1.2.A of the Lease is amended to delete the phrase “in common with others so authorized of passage, upon the Public Area,” and to replace it with “in common with others so authorized of passage, upon the City road system (the “Public Area”),”
2. Section 8.1.A of the Lease is amended to delete the phrase “As a condition of obtaining such consent, the transferee receiving any such right shall be required to execute a new lease agreement provided by City.” and to replace it with the following “As a condition of obtaining such consent, the City reserves the right to require the transferee receiving any such rights from Lessee to execute a new lease agreement provided by City.”
3. Section 9.2 of the Lease is amended to delete the following:

3KAM Real Estate LLC  
Attn: J. Mike Riley  
2412 Fort Worth Drive  
Denton, Texas 76205

and to replace it with:

DTO 4858 LLC  
Attn: Jon Wenrich  
8507 NW Pacific Street  
Portland, OR 97220  
E-mail: Jon.Wenrich@fbocap.com

### **OPTIONS**

1. Adopt the proposed ordinance approving the assignment of the lease agreement as requested by 3KAM Real Estate, LLC, and assign to DTO 4858 LLC.
2. Adopt the proposed ordinance approving the assignment of the 3KAM Real Estate, LLC lease to DTO 4858 LLC with additional direction.
3. Take no action at this time.

### **RECOMMENDATION**

Airport Staff recommends Option 1, approving the assignment of the lease agreement as requested.

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

Council approved the lease agreement on May 7, 2019, Ordinance 19-394.

Airport Advisory Board recommended approval of lease assignment on June 8, 2022.

### **FISCAL INFORMATION**

This property lease is for 1.704 acres of land for a current annual lease rate of \$25,912.14. The annual lease rate is subject to a Consumer Price Index for all urban consumers (CPI-U) increase, every two years, with the next adjustment to occur on March 1, 2023.

A transfer fee of \$1,000 has been received from Assignor.

### **EXHIBITS**

1. Agenda Information Sheet
2. Location map
3. Request to Assign
4. Ordinance – Consent to Lease Assignment
5. LLC Information

Respectfully submitted:  
Scott Gray  
Director - Airport, Facilities

Prepared By:  
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Management Analyst