



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Denton Enterprise Airport

ACM: Frank Dixon

DATE: April 2, 2024

SUBJECT

Consider adoption of an ordinance of the City of Denton approving an Airport Land Lease Agreement for a term of twenty-five (25) years between the City of Denton, Texas, and Roanoke Air and Auto, Inc covering property at 904 Aeronca Lane, Denton, Texas at the Denton Enterprise Airport; authorizing the City Manager to execute the Airport Lease Agreement; and providing an effective date. Airport Advisory Board recommends approval (5-0).

BACKGROUND

Roanoke Air and Auto, Inc is a current lessee at Denton Enterprise Airport whose lease expired on Jan. 10, 2024. The original lease was approved on January 15, 1989, for a period of twenty-five years, with a lessee option to extend the term of the lease for two (2) additional five (5) year terms. On July 19, 2016, a first amendment was approved by the City Council, Ordinance No. 2016-198, granting the lessee a new, fair market value, 25-year land lease upon the January 10, 2024, expiration of its then-current lease. This guarantee of a new lease was granted in consideration for improvements to the leasehold conducted at the time of the amendment.

The original leasehold included .6171 acres or 26,880.88 square feet of leased land and two (2) buildings approximately 6650 square feet (main building) and 5200 square feet (hangar space) each. The lessee holds an Airport Business Permit for Hangar Leasing Services and subleases a portion of their leasehold to a flight school.

Under the new Airport Land Lease Agreement, Roanoke Air and Auto, Inc. will be adding an additional .8269 acres, or 36,019.76 square feet, of adjacent land for the construction of airside aircraft parking facilities, and landside automobile parking to address the current and future business parking needs.

This addition brings the land under the proposed lease agreement to 1.444 acres or 62,900.64 square feet of leased land and continues to include the two (2) buildings covered under the original leasehold.

STAFF RECOMMENDATION

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

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

March 20, 2024: Airport Advisory Board recommended approval of Lease Agreement (5-0).

FISCAL INFORMATION

The lease for this 1.444-acre parcel will be for twenty-five (25) years beginning at a rate of \$0.38 per square foot annually (\$23,902.24). Beginning with the second anniversary of an approved lease, and every second year thereafter, the lease rate will be adjusted based upon any increase in the US Department of Labor Bureau of Labor Statistics Consumer Price Index (CPI-U) as provided in the lease terms.

EXHIBITS

1. Agenda Information Sheet
2. Location Map
3. Ordinance – Roanoke Air and Auto, Inc Lease Agreement
4. Lessee Information

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