



City of Denton

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

AGENDA INFORMATION SHEET

DEPARTMENT: Transportation

CM/ DCM/ ACM: Mario Canizares

DATE: June 20, 2017

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas approving a first amendment to an airport lease between the City of Denton, Texas and CFD Integration, LLC D/B/A CFDI Aero; and providing an effective date. Council Airport Committee Recommends (2-0).

BACKGROUND

Dr. JR Almand and CFD Integration, LLC (CFDI) have agreed and have been granted a lease assignment, Almand has assigned his personal airport lease agreement to CFDI. The existing lease agreement prohibits commercial aircraft maintenance on premises. In order to facilitate CFDI's expanded presence at Denton Airport providing commercial aircraft maintenance, the lease agreement requires an amendment to paragraph V. Rights and Obligations of Lessee. Airport staff is amenable to replacing Section V. A. Use of Premises as follows:

Delete:

- A. Use of Premises. Lessee is granted the right to use the Premises for the storage, maintenance, and repair of aircraft owned and operated by the Lessee and Lessee's family or invitees. Lessee may not use any portion of the Premises for any use not authorized by this Lease, including any industrial, commercial or retail business or any other business operations which furnish or provide any product or service to the general public or other lessors of Airport property.

Replace with:

- A. Use of Leased Premises. Lessee is granted the non-exclusive privilege to engage in owner/operator activities providing the following aviation services:

1. General Aircraft Maintenance. Lessee is granted the non-exclusive right to conduct airframe and power plant maintenance services.

Lessee, its tenants, employees, invitees and guests shall not be authorized to conduct any services not specifically listed in this Lease Agreement. The use of the Leased Premises by Lessee, its tenants, employees, invitees or guests shall be limited to only those private, commercial, retail or industrial activities having to do with or related to airports and aviation. Except as specifically authorized in this Lease Agreement, no person, business or corporation may operate a commercial, retail or industrial business upon the Leased Premises or upon the Airport without a lease or license from Lessor authorizing such commercial, retail or industrial activity. The Lessor shall not unreasonably withhold authorization to conduct aeronautical or related services.

ESTIMATED SCHEDULE OF PROJECT

Upon approval of the proposed lease amendment, lessee would be eligible to conduct commercial aircraft maintenance on the leasehold. Lessee will be required make certain improvements to the leasehold to meet City Code.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council approved the lease agreement on April 18, 1989, Resolution 89-031.

Council Airport Committee recommended approval of the amendment at their June 5, 2017 meeting (2-0).

FISCAL INFORMATION

This amendment would not result in a change to the existing lease agreement fee structure. The Amendment would provide an opportunity for CFDI to expand their presence at Denton Airport which could attract additional aircraft operators to the Airport, potentially increasing fuel sales and demand for other aviation services.

STRATEGIC PLAN RELATIONSHIP

The City of Denton's Strategic Plan is an action-oriented road map that will help the City achieve its vision. The foundation for the plan is the five long-term Key Focus Areas (KFA): Organizational Excellence; Public Infrastructure; Economic Development; Safe, Livable, and Family-Friendly Community; and Sustainability and Environmental Stewardship. While individual items may support multiple KFAs, this specific City Council agenda item contributes most directly to the following KFA and goal:

Related Key Focus Area: Economic Development

Related Goal: 1.1 Manage financial resources in a responsible manner

EXHIBITS

2. Leasehold site map
3. Draft Minutes – Council Airport Committee dated June 5, 2017
4. Ordinance – First Amendment

Respectfully submitted:
Mark Nelson
Transportation Director