



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 25, 2017

SUBJECT

Receive a report, hold a discussion and give staff direction regarding a lease agreement between the City of Denton and GAhangars, LLC for the property located at Denton Enterprise Airport.

BACKGROUND

Airport staff has entered negotiation with GAhangars, LLC to lease a 3.241 acre building site (Exhibit 2) for construction of 19-23 hangars or approximately 71,700 square feet of hangar space located at Denton Enterprise Airport as follows: (3) 4,900 square foot hangars, (16) 3,000 square foot hangars, and potentially and additional (3) 3,000 square foot hangars (Exhibit 3). The tenant has submitted his proposed hangar development to construct the project over a continuous period of one and one half (1 ½) years. The tenant is aware that no construction can begin until a property lease is approved by the City Council and the issuance of a building permit.

The attached ordinance (Exhibit 5) with a draft of the proposed property lease (Exhibit 4) is based on the standard lease agreement used by the Airport and the Legal Department. It is presented for consideration of the Council Airport Committee (CAC) to allow Airport staff to present the finalized lease directly to the City Council, if no substantial changes are made in the lease agreement.

OPTIONS

1. Recommend to City Council the approval of the lease agreement with GAhangars, LLC as presented.
2. Recommend approval of the lease agreement to GAhangars, LLC with additional direction and/or modifications to the lease agreement.
3. Take no action at this time.

ESTIMATED SCHEDULE OF PROJECT

Should the Committee recommend approval of the lease to City Council, this item could be placed on Council Agenda for final consideration on August 15, 2017.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

None

FISCAL INFORMATION

The lease for this 3.241 acre parcel will be for forty (40) years beginning at a rate of \$0.27 per square foot annually (\$38,118) upon issuance of a building permit. 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 Consumer Price Index (CPI) as provided in the lease terms.

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

1. Agenda Information Sheet
2. Site Maps
3. Development Concept
4. GAHangars, LLC Lease Agreement

Respectfully submitted:
Scott T. Gray, C.M., C.A.E.
Airport Manager