



# City of Denton

City Hall  
215 E. McKinney Street  
Denton, Texas  
[www.cityofdenton.com](http://www.cityofdenton.com)

## AGENDA INFORMATION SHEET

**DEPARTMENT:** Transportation

**CM/ DCM/ ACM:** Mario Canizares

**DATE:** August 15, 2017

### **SUBJECT**

Consider adoption of an ordinance approving a Commercial Operator Airport Lease Agreement between the City of Denton, Texas and James W. and Nancy C. Huff; and providing an effective date. The Council Airport Committee recommends adoption of the ordinance (3-0).

### **BACKGROUND**

Airport staff has entered negotiation with James Huff to lease a 0.317 acre building site (Exhibit 2) for construction of a 3,600 square foot hangar (Exhibit 3). The tenant has submitted his proposed hangar development to construct the project over a continuous period of 270 days. 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. Due to the location and size of this remnant parcel, the development is limited to one small hangar.

The ordinance (Exhibit 4) with the property lease is based on the standard lease agreement used by the Airport and the Legal Department.

### **OPTIONS**

1. Approve of the Airport Lease as presented.
2. Approve of the Airport Lease with additional direction and/or modifications to the agreement.
3. Take no action at this time.

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

Council Airport Committee recommended approval of the Airport Lease agreement on July 25, 2017.

### **FISCAL INFORMATION**

The lease for this 0.317 acre parcel will be for forty (30) years with two (2), five (5) year options beginning at a rate of \$0.27 per square foot annually (\$3,726) 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.

During the Council Airport Committee meeting on July 25, 2017, there was a question regarding the \$0.27 per square foot lease rate. Since negotiation of this lease agreement was started with the previous Airport Administration, current staff honored the \$0.27 per square foot rate provided to the potential tenant. The current rate adjusted for CPI would be approximately \$0.29 per square foot.

## **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. Ordinance/Lease Agreement

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