

## **Agenda Information Sheet**

**DEPARTMENT:** Transportation

**ACM:** Mario Canizares

**Date:** October 5, 2017

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### **SUBJECT**

Receive a report, hold a discussion and make a recommendation to Denton City Council on the HTA Aviation lease and to consider an assignment to US Trinity Holdings, LLC.

### **BACKGROUND**

The HTA Aviation lease agreement is a 40-year agreement dated September 18, 2012, effective October 1, 2012 to September 30, 2052. The 28,630 square foot leasehold includes one, 10,400 square foot hangar, apron and auto parking.

US Trinity Holdings, LLC is currently a based customer of US Jet FBO and is interested in acquiring their own hangar facility to accommodate four existing based aircraft. US Trinity Holdings, LLC is also interested in acquiring the James and Nancy Huff leasehold immediately south of the HTA Aviation leasehold, to expand the hangar capacity to possibly accommodate additional aircraft as needed. The proposed assignment does not include any renegotiated terms or conditions.

### **OPTIONS**

1. Recommend to City Council the assignment of the lease agreement as requested by HTA Aviation and assignee to US Trinity Holdings, LLC.
2. Recommend assignment of the HTA Aviation lease to US Trinity Holdings, LLC with additional direction.
3. Take no action at this time.

### **ESTIMATED SCHEDULE OF PROJECT**

Should the Committee recommend assignment of the lease to City Council, this item could be placed on Council Agenda for formal consideration and action on October 17, 2017.

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

Council approved the lease agreement on September 18, 2012, Ordinance 2012-236.

Council approved the first amendment on June 18, 2013, Ordinance 2013-149.

### **FISCAL INFORMATION**

This property lease is for 28,630 square feet of land for a current annual lease rate of \$8,015.04. The annual lease rate includes annual Consumer Price Index adjustment and will be adjusted on August 7, 2018.

A transfer fee of \$500 will be required by Assignor.

### **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. HTA Aviation site map
3. Request to assign August 15, 2017
4. HTA Aviation Airport Lease Agreement
5. HTA Aviation Airport Lease Agreement – First Amendment