

Agenda Information Sheet

DEPARTMENT: Transportation

ACM: Mario Canizares

Date: October 5, 2017

SUBJECT

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

BACKGROUND

The James and Nancy Huff lease agreement is a 30-year agreement dated July 18, 2017, effective August 1, 2017 to August 31, 2047, with two, five year options to extend the term to August 31, 2057. The 13,800 square foot leasehold is currently vacant. Mr. Huff is working with Airport Staff to enter into another lease agreement on the Airport to facilitate his 50' x 60' hangar development.

US Trinity Holdings, LLC is in the process of acquiring the HTA Aviation leasehold, which is immediately north of the Huff leasehold, through a lease assignment. US Trinity Holdings, LLC. is interested in acquiring the Huff leasehold in order to expand the HTA leasehold hangar capacity to accommodate four existing based aircraft, as well as 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 James and Nancy Huff and assignee to US Trinity Holdings, LLC.
2. Recommend assignment of the James and Nancy Huff 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 August 15, 2017, Ordinance 2017-224.

FISCAL INFORMATION

This property lease is for 13,800 square feet of land for an annual lease rate of \$3,726.00. The annual lease rate includes annual Consumer Price Index adjustment, will be adjusted on July 1, 2019.

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. Huff site map
3. Request to assign September 15, 2017
4. Huff Airport Lease Agreement