



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: November 28, 2017

SUBJECT

Receive a report, hold a discussion and make a recommendation to Denton City Council on the Mark Hicks Transport, LLC lease and to consider an assignment to Polygon Enterprises, Inc.

BACKGROUND

The Mark Hicks Transport lease agreement is a 40-year agreement dated October 20, 2015, effective October 20, 2015 to October 19, 2055. The 26,223 square foot leasehold includes one, 10,000 square foot hangar, apron and auto parking.

Polygon Enterprises, Inc. is currently a based customer of US Jet FBO and is interested in acquiring their own hangar facility to accommodate one existing based corporate aircraft. 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 Mark Hicks Transport LLC and assignee to Polygon Enterprises, Inc.
2. Recommend assignment of the Mark Hicks Transport, LLC lease to Polygon Enterprises, Inc. 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 December 5, 2017.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

Council approved the lease agreement on October 20, 2015, Ordinance 2015-324.

Council approved the first amendment on November 1, 2016, Ordinance 2016-337.

FISCAL INFORMATION

This property lease is for 26,223 square feet of land for a current annual lease rate of \$7,080.24. The annual lease rate includes annual Consumer Price Index adjustment and will be adjusted on October 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. Mark Hicks Transport Location Map
3. Request to assign October 4, 2017
4. Mark Hicks Transport Airport Lease Agreement
5. Mark Hicks Transport Airport Lease Agreement – First Amendment

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