

ORDINANCE NO \_\_\_\_\_

AN ORDINANCE OF THE CITY OF DENTON, TEXAS TERMINATING THE AUGUST 15, 2017 AIRPORT LEASE AGREEMENT BETWEEN THE CITY OF DENTON AND GAHANGARS, LLC; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on August 15, 2017, City Council approved an Airport Lease Agreement (the "Lease Agreement") with GAhangars, LLC (the "Tenant") for the development of approximately 20 hangars; and

WHEREAS, the Lease Agreement contains two sections with specific deadlines relating to financing and construction on the leased acreage relative to the effective date of the Lease Agreement; the financing deadline being February 11, 2018 and the construction period deadline being May 12, 2018; and

WHEREAS, the Tenant has failed to receive financing to develop and construct on the leased acreage and, following the expiration of the financing deadline, requested a one hundred twenty (120) day extension to both deadlines; and

WHEREAS, the Lease Agreement provides that if either of the above deadlines are not met, the lease may be terminated by either party; and

WHEREAS, the Tenant has failed to meet the February 11, 2018 financing deadline and has confirmed that it cannot meet the May 12, 2018 construction deadline; and

WHEREAS, termination of the Lease Agreement provides the City the opportunity to address the fair market value for the site and allows staff to market the parcel for the highest and best use; and

WHEREAS, the Council Airport Committee, having considered the Lease Agreement and above recitals on April 13, 2018 voted 2-0 to recommend to the City Council to terminate the Lease Agreement; NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this ordinance are incorporated herein by reference.

SECTION 2. The City Council of the City of Denton deems it in the public interest to terminate the Lease Agreement.

SECTION 3. The City Manager, or his designee, is authorized to execute documents and notices necessary to effectuate the Lease Agreement termination pursuant to the Lease Agreement.

SECTION 4. This ordinance shall become effective immediately upon its passage and approval.

SECTION 5. Effective Date.

This Ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by \_\_\_\_\_  
and seconded by \_\_\_\_\_, the ordinance was passed and  
approved by the following vote [\_\_\_\_ - \_\_\_\_]:

Mayor Chris Watts: \_\_\_\_\_

Gerard Hudspeth, District 1: \_\_\_\_\_

Keely G. Briggs, District 2: \_\_\_\_\_

Don Duff, District 3: \_\_\_\_\_

John Ryan, District 4: \_\_\_\_\_

Dalton Gregory, At Large Place 5: \_\_\_\_\_

Sara Bagheri, At Large Place 6: \_\_\_\_\_

PASSED AND APPROVED this the \_\_\_\_\_ day of \_\_\_\_\_, 2018

\_\_\_\_\_  
CHRIS WATTS, MAYOR

ATTEST  
JENNIFER WALTERS, CITY SECRETARY

BY: \_\_\_\_\_

APPROVED AS TO LEGAL FORM  
AARON LEAL, CITY ATTORNEY

BY: \_\_\_\_\_

