

**City Council
Agenda Memo**



TO: David Vela, Interim City Manager
FROM: Don Green, Director of Aviation
SUBJECT: Abilene Aero Ground Lease Amendment Four

**City Council
Meeting Date: May 14, 2015**

GENERAL INFORMATION

In early 2014, Abilene Aero asked airport staff to consider amending its ground lease to add new area to build a new hangar and add 10 years to the ground lease term at the current lease rate. Abilene Aero's investment in constructing this new hangar will add needed, revenue-producing aircraft storage capacity.

The Airport Development Board approved this amendment for recommendation at its March 12, 2014 meeting, but at that time, the total additional area was unknown as the hangar was still being designed. The hangar is now complete and the additional area is 33,180 square feet at the current CPI-adjusted lease rate of \$.1894/SF/Yr.

I request that City Council approve this lease amendment backdated to January 1, 2015.

FUNDING/FISCAL IMPACT

The additional lease revenue from this lease is \$6,284.29; or \$523.69/month, the first year, and is subject to the Consumer Price Index adjustment in the ground lease.

STAFF RECOMMENDATION

Staff recommends that City Council authorize the Interim City Manager to execute the lease amendment with Abilene Aero.

BOARD OR COMMISSION RECOMMENDATION

The Airport Development Board approved this item at its March 12, 2014 meeting.

Prepared by:

Name: Don Green

Title: Director of Aviation

Item No. 6.3

Disposition by City Council

- Approved Ord/Res# _____
- Denied _____
- Other _____

City Secretary

AMENDMENT #4

LAND LEASE FOR FIXED BASE OPERATIONS

**For
ABILENE AERO, INC.**

WHEREAS, by Agreement signed by parties on May 26, 2004, the City of Abilene (Lessor) and Abilene Aero, Inc., (Lessee) entered into an Agreement for Land Lease at the Abilene Regional Airport; and,

WHEREAS, Lessor is party to an Agreement for Land Lease; and,

WHEREAS, Lessee has constructed improvements on leasehold for the expansion of Lessee's fixed base operations; and,

WHEREAS, Lessee requests Lessor amend the 2004 Agreement for Land Lease between Lessor and Lessee to include the leasehold, for the necessary expansion of Lessee's fixed base operations; and,

WHEREAS, Lessee additionally requests Lessor extend the primary lease term Ten (10) years; and

WHEREAS, such proposed additional leasehold and improvements will be operated within the scope of, and in conformance with, all sections and provisions of the existing Agreement for Land Lease, and therefore, constitutes only an expansion of the Leased Premises as depicted in **Exhibit A**.

NOW, THEREFORE, the parties do mutually agree as follows:

Section 3.01: Demise of Leased Premises, is revised by adding the following: Exhibit A, which depicts Section Four of Lessor's revised leasehold that shall become a part of Lessor's existing Land Lease and subject to all provisions therein.

Section 4.01 (a): Initial Ground Rental, is revised by adding a second paragraph as follows:

Exhibit A depicts section four of Lessor's revised leasehold consisting of approximately Thirty Three Thousand One Hundred Eighty (33,180) square feet of improved land area. The initial annual rental for the leasehold depicted in **Exhibit A** shall be at a rate of Eighteen and Ninety-Four Hundredths Cents (\$.1894) per square foot per year to the City, resulting in an initial annual rental for the Section Four leasehold depicted in **Exhibit A** of Six Thousand Two Hundred Eighty-Four Dollars and Twenty-Nine Cents (\$6,284.29).

Section 4.01 (b): Commencement of Rental, is revised by adding the following: The obligation for ground rental of Lessee to Lessor as aforesaid for that portion of the leasehold depicted in Exhibit A shall be backdated to commence on January 1, 2015.

Section 4.01 (c): Adjustment of Rent, is revised by adding the following as a second paragraph: The adjustment of rent provision set forth above shall apply to Section Four of Lessor's leasehold depicted in **Exhibit A** on the scheduled date of adjustment for the original leasehold,

notwithstanding the fact that five years will not have passed since the date of the addition of the property depicted in **Exhibit A**.

Section 4.03: Other Charges, is revised by adding the following regarding (a) (i) Pavement Replacement Contribution Fee. Lessor and Lessee acknowledge that the fee stated does not include nor contemplate maintenance or replacement of any pavement or other surfacing now in existence, or installed at a future time by Lessee, within the section two leasehold depicted in **Exhibit A**. All maintenance and/or replacement of existing or future pavement or improved surfacing shall be and remain the sole responsibility of Lessee.

IN WITNESS WHEREOF this Amendment has been entered into and is effective as of the Effective Date and has been executed in quadruplicate original counterparts by the respective officers of the parties hereto as of the dates noted below.

(THE REST OF THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY)

Lessee:

ABILENE AERO, INC.,

ATTEST:

By: _____
JOE CRAWFORD, PRESIDENT

By: _____

Date: _____

Date: _____

Lessor:

ATTEST:

CITY OF ABILENE:

DANETTE DUNLPAP, CITY SECRETARY

DAVID VELA, INTERIM CITY
MANAGER





APPROVED:

T. DANIEL SANTEE, CITY ATTORNEY

Exhibit A Amendment 4

Write a description for your map.

Legend

-  Abilene Aero
-  Abilene, TX: Airport Sculpture, "Born to be Free" - Doug Graves, artist, 2011
-  Boundary
-  Enterprise Rent-A-Car



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