

City of Fort Worth, Texas

# Mayor and Council Communication

**DATE:** 02/16/21

**M&C FILE NUMBER:** M&C 21-0126

**LOG NAME:** 55FTW CONSENTASSIGNMENT GRND LEASE 10, HANGAR 9S, SANDPIPER

## **SUBJECT**

(CD 2) Authorize Execution of a Consent to Assignment of a Ground Lease Agreement for Lease Site 10, Hangar 9S by Don E. Hansen to Sandpiper Operating, LLC at Fort Worth Meacham International Airport

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## **RECOMMENDATION:**

It is recommended that the City Council authorize execution of a Consent to Assignment of a Ground Lease Agreement for Lease Site 10, Hangar 9S by Don E. Hansen to Sandpiper Operating, LLC at Fort Worth Meacham International Airport.

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## **DISCUSSION:**

On November 11, 2010, the City (Lessor) and Don E. Hansen, an individual (Lessee) entered into City Secretary Contract (CSC) 41118, known as Unimproved Ground Lease Agreement for Lease Site 10/ Hangar 9S (Lease 41118) at Fort Worth Meacham International Airport.

Lease Site 10 consists of a 23,500 square foot hangar and 100,324.08 square feet of ground space. The initial term of the lease commenced on November 11, 2010 and expires on May 31, 2026. In addition to the initial term, Lease 41118 provides the option to renew upon expiration of the initial term. Renewal options allow Lessee two (2) consecutive options to renew for successive terms of five (5) years each.

On December 8, 2020, staff received a request from Lessee to consent to an assignment of Lease 41118 to Sandpiper Operating, LLC for the purpose of tax and estate planning. Don E. Hansen is the sole member and manager of Sandpiper Operating, LLC. Upon City Council approval, Sandpiper Operating, LLC will assume the leasehold interest and obligations associated with the lease.

Lease 41118 prohibits any assignment of the lease or causing any lien to be made on improvements constructed on the leased premises without City Council approval. These types of transactions are routine for airport tenants and staff has no objection to this request.

Under the current agreement, Don E. Hansen remits the amount of \$43,733.88 annually to the City, payable in monthly installments of \$3,644.49. After the assignment, Sandpiper Operating, LLC will remit the same amount and be subject to the provisions contained within the original agreement.

Fort Worth Meacham International Airport is located in COUNCIL DISTRICT 2.

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## **FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and execution of the lease, funds will be deposited into the Municipal Airport Fund. The Aviation Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

**Submitted for City Manager's Office by:** Fernando Costa 6122

**Originating Business Unit Head:** Roger Venables 6334

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