

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 03/11/25 M&C FILE NUMBER: M&C 25-0209

LOG NAME: 55FWS TEXAS SKY HARBOR CONSENT TO LSEHOLD DOT, E21 & E22

SUBJECT

(CD 8) Authorize Execution of a Consent to Leasehold Deed of Trust with Texas Sky Harbor, LLC and American National Bank of Texas, N.A. to Enable Texas Sky Harbor to Obtain Financing to Facilitate New Hangar Construction for Lease Sites E-21 and E-22 Located at Fort Worth Spinks Airport

RECOMMENDATION:

It is recommended that the City Council authorize execution of a consent to leasehold deed of trust with Texas Sky Harbor, LLC and American National Bank of Texas, N.A. to enable Texas Sky Harbor, LLC to obtain financing to facilitate new hangar construction for lease sites E-21 and E-22 located at Fort Worth Spinks Airport.

DISCUSSION:

On October 15, 2024, Mayor and Council Communication (M&C) 24-0873, City Council approved City Secretary Contract No. 62142, a Ground Lease Agreement with Texas Sky Harbor, LLC (TSH), which includes mandatory improvements for Lease Sites E-21 and E-22 at Fort Worth Spinks Airport.

TSH has been working with their lender, American National Bank of Texas, N.A. (American National) to secure a loan to facilitate hangar construction for Lease Sites E-21, which consists of 37,313 square feet of ground space and E-22, which consists of 38,789 square foot hangar. Mandatory improvements include a six (6) bay box hangar unit and twelve (12) t-hangar units. The initial term of the lease commenced on October 17, 2024 and expires on October 16, 2054 at 11:59 PM with one (1) option to renew for an additional ten (10) year term. The hangars built will be used for aeronautical purposes in accordance with City and Aviation Department policies. Annual revenue from the ground lease for Lease Site E-21 is \$11,567.03 and Lease Site E-22 is \$12,024.59.

The Consent to Leasehold Deed of Trust will grant TSH's lender, American National, the right, subject to any superior lien, to operate as Lessee or secure another tenant in place of TSH, if previously approved by the City Council, in the event TSH defaults on its loan or its lease with the City of Fort Worth. The lease agreement prohibits TSH from making any assignment of the lease or causing a lien to be made on improvements constructed on the leased premises without City Council approval. This type of transaction is routine for airport tenants and staff has no objection to TSH's request.

Fort Worth Spinks Airport is located in COUNCIL DISTRICT 8

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this recommendation will have no material effect on City funds.

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