

# Mayor and Council Communication

**DATE:** 05/09/23

**M&C FILE NUMBER:** M&C 23-0356

**LOG NAME:** 55FWS CONSENTASSIGNMENT, 13745, HGR A, FILTRATION TO MPFA

**SUBJECT**

(CD 6 / Future CD 8) Authorize Execution of a Consent to Assignment of a Hangar Sublease Estoppel, Non-Disturbance, and Assignment Agreement for Lease Site 13745 Wing Way, Hangar A by Filtration Automation, Inc. to MPFA Holdings, LLC at Fort Worth Spinks Airport

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**RECOMMENDATION:**

It is recommended that the City Council authorize execution of a Consent to Assignment of a Hangar Sublease Estoppel, Non-Disturbance, and Assignment Agreement for Lease Site 13745 Wing Way, Hangar A by Filtration Automation, Inc. to MPFA Holdings, LLC at Fort Worth Spinks Airport.

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**DISCUSSION:**

On May 5, 2020, City Council authorized, through Mayor and Council Communication (M&C) 20-0306, execution of CSC 49525-CA1, a Consent to Assignment allowing Tiger Aviation, LLC (Previous Lessee) to assign all of its rights, title and interest in CSC 49525, a Hangar Sublease, Estoppel, Non-Disturbance, and Assignment Agreement (Lease) for 13745 Wing Way, Box Hangar A, Fort Worth Spinks Airport (Leased Premises) to Filtration Automation, Inc. (Filtration Automation).

On or about November 23, 2022, Filtration Automation submitted a request to the City to assign its leasehold interest in Leased Premises from Filtration Automation to MPFA Holdings, LLC (MPFA) for the purpose of corporate restructuring.

Upon City Council approval, MPFA will assume the leasehold interest and obligations associated with the Lease. The Lease consists of a 3,780 square feet box hangar. The lease expires on December 31, 2036 with two (2) options to renew for an additional five (5) year term each.

Annual revenue from the lease is \$1,171.80 payable in monthly installments of \$97.65. Rental rates shall be subject to an increase on October 1st of any given year, based on the upward percentage change in the Consumer Price Index for the Dallas-Fort Worth Metropolitan area. At no time will the adjusted rate exceed the then current rate published in the Aviation Department's Schedule of Rates and Charges. Five-year rate adjustments are applied to the ground rate with the next scheduled adjustment on October 1, 2027 and every fifth year thereafter.

The Lease 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.

Fort Worth Spinks Airport is located in COUNCIL DISTRICT 6/FUTURE COUNCIL DISTRICT 8.

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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:** Dana Burghdoff 8018

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