

City of Fort Worth, Texas

Mayor and Council Communication

DATE: 11/28/23

M&C FILE NUMBER: M&C 23-1006

LOG NAME: 55FTW GHA TERMINAL LEASE AMENDMENT NO 3 LEASE SITE 11N

SUBJECT

(CD 2) Authorize Execution of Amendment No. 3 to City Secretary Contract 28384, a Hangar Lease Agreement Known as Lease Site 11N with Group Holdings Aviation, LLC d/b/a GHA Terminal, LLC to Include an Additional 12,141 Square Feet of Ground Space for the Purpose of Expanding the Apron for Aircraft Parking Space at Fort Worth Meacham International Airport

RECOMMENDATION:

It is recommended that the City Council authorize execution of Amendment No. 3 to City Secretary Contract 28384, a Hangar Lease Agreement known as Lease Site 11N with Group Holdings Aviation, LLC d/b/a GHA Terminal, LLC to include an additional 12,141 square feet of ground space for the purpose of expanding the apron for aircraft parking space at Fort Worth Meacham International Airport.

DISCUSSION:

On or about July 10, 2012, through Mayor and Council Communications (M&C C-25703) The City (Lessor), Atlantic Aviation (Previous Lessee/Assignor) and Group Holdings Aviation, LLC d/b/a GHA Terminal LLC (Lessee/Assignee) entered into City Secretary Contract (CSC) 28384-CA1, a Consent to Assignment whereby Atlantic Aviation assigned all rights, title and interest in CSC 28384, (Lease), for Lease Site 11N (Leased Premises) at Fort Worth Meacham International Airport to GHA Terminal LLC, and Lessor consented to such assignment based on all terms and conditions set forth in the Consent. The Lease expires on July 31, 2032. The Leased Premises, as amended by CSC 28384-A2 on January 14, 2014, through M&C C-26639, is a total of 266,805 square feet, which includes a 32,380.58 square foot hangar. Additionally, CSC 28384-A2 amended the lease to include a 10-year option to renew upon expiration of the initial term.

Lessee and Lessor now wish to amend the lease to include 12,141 square feet of ground space adjacent to Lease Site 11N for the purpose of expanding apron space for aircraft parking. The additional 12,141 square feet will amend the total ground space leased to 278,946 square feet. The ground space under the footprint of the hangar is paid with the hangar rate, therefore deducted from the total ground space and leaves 246,565.42 square foot total ground space calculated under ground space rent.

Annual revenue generated from the ground space of the amended lease is \$115,885.75, which will be payable in monthly installments of \$9,657.15. Lessee will also pay Lessor, as annual rent for the hangar, \$79,939.50, payable in equal monthly installments of \$6,661.63. Hangar rates will not be affected by this amendment.

On October 1 of any given year, rental rates shall be subject to an increase 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 rate that is current in the Schedule of Rates and Charges. All terms and conditions of the lease agreement will be in accordance with City of Fort Worth and Aviation Department policies.

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

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.

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