

Mayor and Council Communication

DATE: 01/23/24

M&C FILE NUMBER: M&C 24-0062

LOG NAME: 55FTW CONSENT TO ASSNMNT DELTA AERONAUTICS TO MILOUD AVIATION

SUBJECT

(CD 2) Authorize Execution of a Consent to Assignment of a Hangar and Ground Lease Agreement for Lease Site 4N by Delta Aeronautics, Inc. to Miloud Aviation, LLC at Fort Worth Meacham International Airport

RECOMMENDATION:

It is recommended that the City Council authorize execution of a consent to assignment of a hangar and ground lease agreement for Lease Site 4N by Delta Aeronautics, Inc. to Miloud Aviation, LLC at Fort Worth Meacham International Airport.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to recommend that City Council authorize execution of a consent to assignment for Lease Site 4N at Fort Worth Meacham International Airport by Delta Aeronautics, Inc. to Miloud Aviation, LLC.

On January 6, 2015, the City (Lessor) and Delta Aeronautics, Inc. (Delta Aeronautics), a Texas corporation (Lessee) entered into City Secretary Contract (CSC) 46347, a Hangar and Ground Lease Agreement consisting of a 18,595 square foot hangar and 106,292 square feet of ground space, known as Lease Site 4N at Fort Worth Meacham International Airport (Lease). On December 12, 2018, the Lessor and Lessee entered into CSC 46347-A1, the first lease amendment for the purpose of reducing the size of ground space from 106,292 square feet to 104,762 square feet.

Currently, Lease Site 4N consists of a 18,595 square foot hangar and 104,762 square feet of ground space. The initial term of the Lease commenced on January 1, 2015 and expires on December 31, 2045. In addition to the initial term, the Lease provides for one (1) option to renew for ten (10) years.

On December 5, 2023, staff received a request from Lessee to consent to an assignment of the Lease to Miloud Aviation, LLC. Upon City Council approval, Miloud Aviation, LLC will assume the leasehold interest and obligations associated with the Lease. 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.

Under the current agreement, Delta Aeronautics remits to the City \$45,949.20 annually, payable in monthly installments of \$3,829.10 for the hangar and \$49,238.16, payable in monthly installments of \$4,103.18 for the ground. After the assignment, Miloud Aviation, 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.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the lease agreement, 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

Originating Business Unit Head: Roger Venables 5402

Additional Information Contact: Ricardo Barcelo 5403