

Mayor and Council Communication

DATE: 03/25/25

M&C FILE NUMBER: M&C 25-0266

LOG NAME: 55FWS DANIEL GRIFFITH CONSENT TO LSEHOLD DOT, LSE STE 32,31N-B

SUBJECT

(CD 8) Authorize Execution of a Consent to Leasehold Deed of Trust with Daniel Griffith and Pinnacle Bank to Enable Daniel Griffith to Obtain a Line of Credit Using Lease Site 32 and Lease Site 31N-B as Collateral to Expand Aeronautical-Related Business Activity Located at Fort Worth Spinks Airport

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a consent to leasehold deed of trust with Daniel Griffith and Pinnacle Bank to enable Daniel Griffith to obtain a line of credit using Lease Site 32 as collateral to expand aeronautical-related business activity located at Fort Worth Spinks Airport; and
 2. Authorize execution of a consent to leasehold deed of trust with Daniel Griffith and Pinnacle Bank to enable Daniel Griffith to obtain a line of credit using Lease Site 31N-B as collateral to expand aeronautical-related business activity located at Fort Worth Spinks Airport.
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DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to recommend City Council authorize execution of a consent to leasehold deed of trust with Daniel Griffith and Pinnacle Bank to enable Daniel Griffith to obtain a line of credit using Lease Site 32 and Lease Site 31N-B as collateral to expand aeronautical-related business activity located at Fort Worth Spinks Airport.

On April 13, 2018, M&C C-28646, City Council approved City Secretary Contract (CSC) No. 50636, a five (5) year Hangar and Ground Lease Agreement with The Myers Investment Group, LLC (Myers), which includes 20,145 square feet of ground space and a 9,240 square foot hangar, known as Lease Site 32 located at Fort Worth Spinks Airport. CSC 50636 had two (2) options to renew for additional successive terms of five (5) years each. On or about September 4, 2019, Myers entered into an assignment of the Lease with Daniel Griffith where Myers relinquished all rights, title and interest in the Leased Premises and assigned all those rights to Daniel Griffith. Mr. Griffith subsequently requested, and the City approved CSC No. 50636 A-1 to extend the lease term to a thirty (30) year lease with two (2) options to renew at five (5) years each. The extended lease term was in return for significant improvements to the hangar facility, which has since been completed. Annual revenue from the Lease is currently \$22,915.70.

On November 13, 2024, M&C 24-0992, City Council approved CSC No. 62379, a Ground Lease Agreement with Daniel Griffith, which includes 42,211 square feet of ground space and a 15,000 square foot hangar, known as Lease Site 31N-B located at Fort Worth Spinks Airport. CSC No. 62379 expires on June 12, 2051, with no option to renew. Annual revenue from the Lease is currently \$24,241.68.

Daniel Griffith has been working with their lender, Pinnacle Bank to secure a line of credit to expand aeronautical-related business activity at Fort Worth Spinks Airport. Mr. Griffith is actively constructing additional aircraft storage hangars and improving his existing facilities to provide much needed services to the users of the Fort Worth Spinks Airport. Pinnacle Bank intends to use both Lease Site 32 and 31N-B as collateral for the loan.

The Consent to Leasehold Deed of Trust will grant Daniel Griffith's lender, Pinnacle Bank, the right, subject to any superior lien, to operate as Lessee or secure another tenant in place of Daniel Griffith, if previously approved by the City Council, in the event Daniel Griffith defaults on the loan or the lease with the City of Fort Worth. The lease agreement prohibits Daniel Griffith 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 Daniel Griffith's request.

Fort Worth Spinks Airport is located in COUNCIL DISTRICT 8.

FISCAL INFORMATION / CERTIFICATION:

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

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