

City Council Airport Committee
Tuesday, April 24, 2018
Approved Meeting Minutes

After determining that a quorum is present, the Council Airport Committee of the Denton City Council convened in a regular meeting on Tuesday, April 24, 2018, at 10:00 a.m. in the City Hall, City Hall Conference Room at 215 E. McKinney St., Denton, Texas to consider the specific agenda items listed below:

PRESENT: Mayor Chris Watts, Councilman John Ryan, and Councilman Duff

ABSENT: None

STAFF PRESENT: Mark Nelson, Transportation Director; Trey Lansford, Deputy City Attorney; and Scott Gray, Airport Manager.

OTHERS PRESENT: Jonathan DeLacruz, Taiya Erving, Victoria Jackson, Samantha Oliver, Sheridan Anderson, Kassandra Guevara, Tandra Embes - TWU students.

1. REGULAR MEETING

- A. CAC18-008** Receive a report, hold a discussion and make a recommendation to Denton City Council on the Petersen Hangars, LLC lease and to consider an assignment to Mark Hicks Transport, LLC.

Gray stated the Petersen Hangars lease agreement is a 30-year agreement with two, 10 year options, dated September 18, 2004, effective September 21, 2004 to September 20, 2034. This leasehold is comprised a 54,000 square foot leasehold which includes nine, 3,600 sf hangars. The lease was amended on February 21, 2012 to include additional land for an adjacent auto parking area. This agreement was originally issued to JVC Real Estate L.L.C. and assigned to 4736 Lockheed Associates, Ltd on July 25, 2006, and subsequently assigned to Petersen Hangars LLC, on September 11, 2015.

Mark Hicks Transports, LLC is currently a based customer and is interested in acquiring this hangar facility to accommodate a portion of their aircraft fleet. The proposed assignment does not include any renegotiated terms or conditions.

Mayor Watts made a motion to recommend to City Council the assignment of the lease agreement as requested by Petersen Hangars, LLC and assignee to Mark Hicks Transport, LLC. Councilman Ryan seconds the motion. The motion was approved unanimously with a vote of (2-0).

- B. CAC18-014** Receive a report, hold a discussion and provide staff direction on Terminal Area Development.

Gray stated the Airport is nearing buildout on the eastside of the Airport, and as indicated in the April 19, 2018 Airport Appraisal Report, approximately 17.6 acres of vacant land remains. Several parcels are in the Airport Development review process and it is anticipated approximately fifty-percent of these parcels will begin development within the next 12-24 months. The Airport has a limited number of parcels capable of accommodating larger aircraft (aircraft with wingspans greater than 79 feet: Gulfstream V, Global Express, and Boeing 737). Only two general

areas remain that can support these type of aircraft: Site 9 at the south end of the Airport which is currently in Airport Development review, and the Terminal area.

In February 2015, a developer began communications with Airport staff regarding the development of a 26,000 square foot hangar and office facility immediately adjacent to the Terminal Building. Airport staff at the time committed to hold this area for this developer. The developer provided the Airport with preliminary plans in early 2016, but a lease was never approved.

Additionally, in 2015 the City was working with Greenpoint Aerospace, a large aircraft maintenance tenant, assisting in accommodating a large expansion project. As part of that expansion project, the City negotiated the fee-simple acquisition of approximately 16 acres adjacent to the Terminal Area. The expansion project did not proceed and the City did not purchase the parcel. Airport staff met with the sales agent last year and the asking price at the time was \$1.8M. The parcel is currently under contract for an unknown use and an expected purchase decision is anticipated by the end of May 2018.

The on-airport area adjacent to the Terminal Building, approximately 3.5 acres, was being considered by Fire Administration and Airport management for the development of a fire station adjacent to the Terminal area. The station footprint has been reduced to two acres for a smaller footprint, opening the remaining area for aviation development.

Over the past several years, a number of other interested parties have expressed interest in developing in the Terminal area in order to accommodate larger aircraft. Given the time that has passed, as well as the additional interest, staff recommends proceeding with a Request for Interest (RFI)/Request for Proposal (RFP) process to solicit interested parties to submit conceptual plans, financial projections, etc. This would provide an opportunity to review and select the highest and best use for this limited property.

Mayor Watts expressed concern that during the discussion of the fire station location he did not recall any mention of another party interested in developing at the same location. He recommended bringing this item forward to the Denton City Council.

With no further business, the regular meeting was adjourned at 10:26 a.m.



JOHN RYAN
COMMITTEE CHAIRMAN
CITY OF DENTON, TEXAS



SCOTT GRAY
AIRPORT MANAGER