

City of Mesquite, Texas

Legislation Text

File #: 19-4368, **Version:** 1

Authorize the City Manager to execute: (i) a Consent to Assignment of Ground Lease consenting to the assignment by Michels Aviation, LLC, to AR-19 Assets, LLC, of the ground lease between the City and Michels Aviation, LLC, [as assignee of Faith Air Inc.] of the leased premises commonly known as 1280 Airport Blvd., Mesquite, Texas (the “Ground Lease”); and (ii) a Consent to Collateral Assignment consenting to the collateral assignment of the Ground Lease by AR-19 Assets, LLC, to Veritex Community Bank.

On March 1, 2003, the City of Mesquite entered into a ground lease with Faith Air, Inc., to build an 8,000-square-foot facility (6,000 square feet of hangar space and 2,000 square feet of office space) located at 1280 Airport Boulevard. The initial term of the ground lease was 30 years with two 10-year extensions. On July 21, 2008, the facility was sold and Michel’s Aviation took over the responsibilities of the ground lease. AR-19 Investments, LLC, has since negotiated the purchase of the facility from Michel’s Aviation under the same terms and conditions of the initial ground lease. AR-19 Investments, LLC, wishes to store and maintain their corporate aircraft in this facility.

The City Attorney’s office has reviewed the Consent to Assignment.

Recommended/Desired Action

Staff recommends approval of the lease assignment.

Drafter

Eric Pratt, C.M.

Head of Department

Eric Pratt, C.M.