



## COUNCIL AGENDA ITEM MEMORANDUM

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### **DEPT./DIVISION SUBMISSION & REVIEW:**

Sean Parker, Director of Airport

**ITEM DESCRIPTION:** Consider adopting a resolution authorizing a land lease agreement with SeaRey Adventures, LLC, c/o Tom and Gayle Rhines, to construct a permanent metal hangar on a 110' x 125' plot in the commercial hangar area at the Draughton-Miller Central Texas Regional Airport.

**BACKGROUND:** SeaRey Adventures, LLC, c/o Tom & Gayle Rhines, has requested a lease of a 110' x 125' plot of land at the Draughton-Miller Central Texas Regional Airport (the "Airport") to construct a 70' x 100' x 25' permanent metal hangar. The proposed location for the hangar is in the commercial hangar area of the Land Use Section of the Airport Master Plan. The hangar would be constructed on a 110' x 125' plot as shown in Exhibit A. The FAA is currently conducting an aeronautical survey of the proposed hangar site and will likely issue their approval of the hangar's height at this location since it sits outside the runway Obstacle Free Area (OFA). This location does meet the Airport Master Plan private hangar map location.

The term of the lease is for 30 years with two (2) five-year lease extensions, for a total of 40 years. Lessee will begin paying rent for Leased Premises on the Effective Date. Lessee will pay annual rent of \$4,125.00, at a rate of \$0.30 per square foot per year for the 13,750 sq. foot plot. Rent may be paid in equal monthly installments of \$343.75 or in a lump sum annual payment. Rent must be prepaid, whether paid in monthly installments or as a lump sum annual payment. Monthly rent is due on the 1st of the month at the office of the Airport Director. At the 5th anniversary, and each subsequent 5 year period, rent is subject to adjustment based on CPI, provided that the rate shall not exceed the lesser of 10% more than the then current rental rate or any then current rate prescribed by the City's published Rate and Fees schedule. Staff recommends that the lease have an effective date of June 1, 2025.

The Lessee must begin construction within 90 days of execution of the lease and obtain a Certificate of Occupancy no later than 6 months after construction commences. The Lessee will provide the City with a Project Schedule, and at the completion of construction, Lessee will provide the Airport Director with a copy of the Certificate of Occupancy, a complete set of record drawings or as-builts, and a summary of cost/value of improvement.

The Lessee agrees to use the hangar solely for aviation purposes and aeronautical operations and understands that the hangar space is for storage of operable airworthy aircraft. If at any time the hangar is used for a non-aeronautical use without the express prior written consent of the city, the Lessee will be in default of their lease. Lessee is responsible at his sole cost and expense for the installation of all utility services to the leased premises, as well as the cost for all utilities. Lessee will keep and maintain the premises in good, clean, and sanitary condition, reasonable wear and tear excepted and will at Lessee's sole cost and expense make all repairs and replacements necessary to prevent the deterioration of the premises, including but not limited to, maintenance and repair of all hangars and other structures, doors, windows, and roofs, and all fixtures, equipment, hangar modifications and surrounding pavement.

The Lessee will provide the City with evidence of current insurance as required by the lease, evidence of current aircraft registration, and will execute a written lease with the City and will be required to abide by the terms of the lease, the Airport Rules and Regulations, and Chapter 3, Airports and Aircraft, of the City's Code of Ordinances.

**ALIGNMENT WITH ADOPTED PLANS:**

Plan	Comments
Strategic Plan	This item supports the City of Temple's Strategic Plan goal of "Infrastructure and systems that support exceptional services and community growth," as well as the Strategic Plan commitment to "Develop a safe, connected, and well-maintained mobility system that incorporates all modes of travel including vehicular, pedestrian, bicycle, transit, and air."

**STAFF RECOMMENDATION:** Adopt Resolution as presented in the Item Description.

**BOARDS & COMMISSIONS RECOMMENDATION:** On April 14, 2025 the Airport Advisory Board met and reviewed this item. The board voted to approve the lease by a vote of 7 to 0.

**FISCAL IMPACT:** Annual land lease revenue of \$4,125.00 will be deposited into account 110-0000-446-3025, Corporate Land Leases.

**ATTACHMENTS:**

Resolution  
Exhibit A  
Design