

RESOLUTION NO. {{item.sequential\_number}}

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TEMPLE, TEXAS, AUTHORIZING A THIRD AMENDMENT TO A 2011 AIRPORT LEASE AGREEMENT FOR CORPORATE HANGAR NUMBER 28 AT THE DRAUGHON-MILLER CENTRAL TEXAS REGIONAL AIRPORT WITH FIKES WHOLESAL, INC.; CONSENTING TO THE TRANSFER OF THE IMPROVEMENTS ON THE LAND AND ASSIGNING THE LEASE TO JF AIR TRAFFIC, INC. UNDER THE SAME TERMS AND CONDITIONS AS CONTAINED IN THE LEASE AND ALL AMENDMENTS; AND PROVIDING AN OPEN MEETINGS CLAUSE.

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**Whereas**, pursuant to Section IV (29) of the 2011 Airport Lease Agreement (“Lease”), Fikes Wholesale, Inc. (“Fikes”) may sell or transfer title to improvements made on the leased land, subject to written notice to the City and receipt of written consent of the City, which consent will not be unreasonably withheld;

**Whereas**, the City received written notice from Fikes of its intent to transfer title to the improvements made on the leased land to JF Air Traffic, Inc. (“JF Air Traffic”) - Section IV (29) also requires the new assignee/Lessee to lease the Leased Premises under the same terms and conditions as the 2011 Lease, as amended by the First and Second Amendments;

**Whereas**, the Leased Premises consist of an approximately 100,425-square-foot plot of land and includes improvements consisting of a 230-foot by 107-foot hangar, its associated apron, vehicle parking and easements, and is identified on the airport property as Corporate Hangar No. 28 - the Leased Premises and improvements are to be used for private aircraft storage and aviation operations and no other commercial activity is permitted unless it is first approved by City Council;

**Whereas**, the 2011 Lease was between the City and McLane Company, Inc. (“McLane”) and had a term of twenty-five years with a termination date of March 31, 2037 - in 2015, City Council approved the First Amendment to the Lease to extend the original agreement an additional fifteen years through March 31, 2052, and amending Section IV (4) of the Lease;

**Whereas**, in 2021, McLane provided the City notice pursuant to Section IV (29) of the Lease that it intended to sell and transfer title to the improvements on the leased land to Fikes, and in January 2022, City Council consented to the transfer of title and assigned the lease to Fikes under the same terms as contained in the Lease and First Amendment - now, Fikes has provided the same notice of its intent to transfer title to JF Air Traffic;

**Whereas**, The initial lease rate under both the Lease and the First Amendment was \$0.10 per square foot per year, or \$10,042.50, and is subject to an annual rental rate adjustment based on the Consumer Price Index (CPI) for Dallas, Texas, or to the rates prevailing in the Temple area for similar facilities - the currently adjusted rate at the time of execution of the Third Amendment will be \$0.1132 per square foot per year, or \$11,368.11 annually and will continue to be subject to annual rate adjustments;

**Whereas**, at its September 9, 2024 meeting, the Airport Advisory Board voted 5 to 0 to recommend approval;

**Whereas**, Staff recommends Council authorize a Third Amendment to a 2011 Airport Lease Agreement for Corporate Hangar No. 28 at the Draughton-Miller Central Texas Regional Airport with Fikes, as well as consent to the transfer of the improvements on the land and assigning the lease to JF Air Traffic under the same terms and conditions as contained in the Lease and all amendments;

**Whereas**, annual land lease revenue of \$11,368.11 will be deposited into Account No. 110-0000-446-3025, Corporate Land Leases; and

**Whereas**, the City Council has considered the matter and deems it in the public interest to authorize this action.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TEMPLE, TEXAS, THAT:**

**Part 1: Findings.** All of the above premises are hereby found to be true and correct legislative and factual findings of the City Council of the City of Temple, Texas, and they are hereby approved and incorporated into the body of this Resolution as if copied in their entirety.

**Part 2:** The City Council authorizes a Third Amendment to a 2011 Airport Lease Agreement for Corporate Hangar No. 28 at the Draughton-Miller Central Texas Regional Airport with Fikes Wholesale, Inc., consents to the transfer of the improvements on the land and assigning the lease to JF Air Traffic, Inc. under the same terms and conditions as contained in the Lease and all amendments, and authorizes the City Manager, or her designee, after approval as to form by the City Attorney's Office, to execute any necessary documents.

**Part 3:** It is hereby officially found and determined that the meeting at which this Resolution was passed was open to the public as required and that public notice of the time, place, and purpose of said meeting was given as required by the Open Meetings Act.

PASSED AND APPROVED this the 19<sup>th</sup> day of **September, 2024.**

THE CITY OF TEMPLE, TEXAS

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TIMOTHY A. DAVIS, Mayor

ATTEST:

APPROVED AS TO FORM:

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Jana Lewellen  
City Secretary

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Kathryn H. Davis  
City Attorney