



Legislation Text

File #: 22-2220, Version: 1

STRATEGIC PRIORITY: Transportation & Infrastructure

AGENDA DATE: October 26, 2022

COUNCIL DISTRICT(S): 2

DEPARTMENT: Department of Aviation

EXECUTIVE: Kimberly Bizer Tolbert

SUBJECT

Authorize a second amendment to the Lease of Land and Facilities at Dallas Love Field originally entered into between the City of Dallas and Enserch Corporation as of August 11, 1993, as amended, with the current lessee, HollyFrontier Corporation, previously approved on August 1, 2005, by Resolution No. 05-0921 to add four additional five-year option terms to the lease and exercise the first of such additional option terms in consideration of HollyFrontier Corporation agreeing to expend \$150,000.00 on capital improvements to the leasehold within twenty-four months of the execution of the second amendment and an additional \$50,000.00 on capital improvements during each of the four additional option periods - Estimated Revenue: Aviation Fund \$2,203,770.40 (see Fiscal Information)

BACKGROUND

On August 11, 1993, the Dallas City Council authorized a five-year lease with two five-year renewal options, with Enserch Corporation (Enserch) for approximately 41,580 square feet (0.95 acres) of land and existing improvements at Dallas Love Field (Airport) by Resolution No. 93-2943. On March 31, 1998, Enserch assigned the lease to Holly Corporation.

On August 1, 2005, the Dallas City Council authorized the first amendment to the lease to add three five-year renewal options in consideration of an additional \$50,000.00 of capital investment into the leasehold by Resolution No. 05-0921. On July 1, 2011, Holly Corporation was renamed HollyFrontier Corporation (HollyFrontier), subsequent to a merger with Frontier Oil Corporation.

All of the existing options have been properly exercised, extending the existing lease term through August 10, 2023. In consideration for the four additional five-year renewal options and the exercise of the first of such additional option periods, HollyFrontier will agree to expend a minimum of \$150,000.00 in renovation and refurbishment costs within twenty-four months of execution of the second amendment and an additional \$50,000.00 during each of the additional four renewal option periods. The rental amount for the leasehold will also be subject to annual increases to the Airport's prevailing rental rates.

PRIOR ACTION/REVIEW (COUNCIL, BOARDS, COMMISSIONS)

On August 11, 1993, City Council authorized the original lease by Resolution No. 93-2943.

On August 1, 2005, City Council authorized the first amendment to the lease by Resolution No. 05-0921.

FISCAL INFORMATION

Estimated Revenue: Aviation Fund \$2,203,770.40

This amount of additional rent during the additional four renewal option periods are subject to additional rent escalations.

OWNER

Holly Frontier Corporation

Michael Jennings, Chief Executive Officer

MAP

Attached