

February 27, 2019

**WHEREAS**, on July 11, 1984, the City of Dallas ("City") entered a thirty-year lease ("Lease 1") with Associated Air Center, Inc. ("Associated") to be effective on March 31, 1994 for approximately 408,962 square feet (9.39 acres) of land and existing facilities at Dallas Love Field Airport ("Airport"), authorized by Resolution No. 84-2239; and

**WHEREAS**, on April 1, 1994, the City entered into a thirty-year lease ("Lease 2") with Associated for approximately 683,311 square feet (15.69 acres) of land and existing facilities adjacent to its Lease 1 property, authorized by Resolution No. 93-4466; and

**WHEREAS**, both Lease 1 and Lease 2 were assigned to Regal Assets, LLC ("Regal") with the consent of the City; and

**WHEREAS**, the City now desires to terminate Lease 1 and Lease 2 and consolidate the two leases into a thirty-year Consolidated Lease of Land and Facilities with Regal, including two five-year renewal options.

**Now, Therefore,**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:**

**SECTION 1.** That the termination of Lease 1 and Lease 2 is hereby approved, and the City Manager is authorized to execute, on behalf of the City of Dallas, appropriate documentation to terminate the leases with Regal Assets, LLC ("Regal"), approved as to form by the City Attorney.

**SECTION 2.** That the City Manager is hereby authorized to enter into a new Consolidated Lease of Land and Facilities (the "Lease") with Regal, approved as to form by the City Attorney, for approximately 1,092,273 square feet (25.08 acres) of land and existing improvements.

**SECTION 3.** That the key terms and conditions of the new Consolidated Lease are as follows:

- a. The Lease shall be for a primary term of thirty years with two five-year renewal options.
- b. Regal shall expend no less than \$5,000,000.00 in capital improvements within thirty-six months of the effective date of the Lease.
- c. Regal shall make additional capital improvements of no less than \$1,000,000.00 to the leased premises every ten years beginning in year eleven of the Lease.

February 27, 2019**SECTION 3.** (continued)

- d. The City shall have the option to reclaim approximately 33,095 square feet of parking area for airport development as needed and reduce rent accordingly.

**SECTION 4.** That the Chief Financial Officer is hereby authorized to deposit all revenues received under the lease to: Aviation Operating Fund, Fund 0130, Department AVI, Unit 7722, Revenue 7814.

**SECTION 5.** That this contract is designated as Contract No. AVI-2019-00009318.

**SECTION 6.** That this resolution shall take effect immediately from and after its passage in accordance with the provisions of the Charter of the City of Dallas, and it is accordingly so resolved.

