



Legislation Text

File #: Res. 2018-60R, **Version:** 1

AGENDA CAPTION:

Consider approval of Resolution 2018-60R, approving the terms and conditions of two subordination agreements between the City of San Marcos, Compass Bank and Berry Aviation, Inc. to secure Compass Bank's lien as superior in regards to aircraft and aircraft components purchased with loan proceeds and located in two separate hangars at the San Marcos Regional Airport; authorizing the city manager to execute the subordination agreements; and declaring an effective date.

Meeting date: April 17, 2018

Department: Airport Management

Amount & Source of Funding

Funds Required: N/A

Account Number: N/A

Funds Available: N/A

Account Name: N/A

Fiscal Note:

Prior Council Action: Click or tap here to enter text.

City Council Strategic Initiative: [Please select from the dropdown menu below]

Choose an item.

Choose an item.

Choose an item.

Comprehensive Plan Element (s): [Please select the Plan element(s) and Goal # from dropdown menu below]

☒ Economic Development - Promote & Support Potential of San Marcos Municipal Airport

☐ Environment & Resource Protection - Choose an item.

☐ Land Use - Choose an item.

☐ Neighborhoods & Housing - Choose an item.

☐ Parks, Public Spaces & Facilities - Choose an item.

☐ Transportation - Choose an item.

☐ Not Applicable

Master Plan: *[Please select the corresponding Master Plan from the dropdown menu below (if applicable)]*

Airport Master Plan

Background Information:

Berry Aviation, Inc., a long-term tenant of the Airport, secured a loan for the purchase of aircraft and aircraft components from Compass Bank. The Airport, as landlord, has a statutory lien against the personal property of Berry in the event of default. Compass Bank has requested the attached subordination agreements (one for each leased hangars) to evidence the Airport's agreement that the Compass Bank lien is senior as to the personal property owned by Berry Aviation.

Council Committee, Board/Commission Action:

Click or tap here to enter text.

Alternatives:

Click or tap here to enter text.

Recommendation:

City staff and TAP recommend approval of both subordination agreements as this is a standard business practice.