

**City of Palmer
Action Memorandum No. 20-053**

Subject: Authorizing the City Manager to Execute an Assignment and Consent to Assignment of Lease Agreements with Hinchinbrook Equipment, Inc. and New Horizons Telecom, Inc. for PMA Lease No. 91-1 on Lease Lot 5, and PMA Lease No. 97-2 on Lease Lot 4, of Block 3, Palmer Municipal Airport for the Purpose of Transferring the Leases to the Parent Corporation

Agenda of: July 28, 2020

Council Action: **Approved** **Amended:** _____
 Defeated



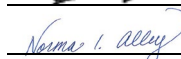
Originator Information:

Originator: Frank J. Kelly, Airport Superintendent

Department Review:

Route to:	Department Director:	Signature:	Date:
_____	Community Development	_____	_____
_____	Finance	_____	_____
_____	Fire	_____	_____
_____	Police	_____	_____
_____	Public Works	_____	_____

Approved for Presentation By:

	Signature:	Remarks:
City Manager		_____
City Attorney		_____
City Clerk		_____

Certification of Funds:


Total amount of funds listed in this legislation: \$ **0.00**

This legislation (√):

- Creates revenue in the amount of: \$ _____
- Creates expenditure in the amount of: \$ _____
- Creates a saving in the amount of: \$ _____
- Has no fiscal impact

Funds are (√):

- Budgeted Line item(s): _____
- Not budgeted _____

Director of Finance Signature: 

Attachment(s):

- Letter of Request from Leighton Lee, President of NHTI
- Draft Assignment and Consent to Assignment Agreement for PMA No. 91-1
- Draft Assignment and Consent to Assignment Agreement for PMA No. 97-2
- Property Map Locations
- Identity Documents New Horizons Telecom, Inc.
- Identity Document Hinchinbrook Equipment, Inc.

Summary Statement/Background:

Mr. Leighton Lee, President of both Hinchinbrook Equipment Inc. and New Horizons Telecom, Inc. and 100% shareholder of NHTI has requested that the City of Palmer allow for the assignment of two airport leases currently held by Hinchinbrook Equipment Inc. (a wholly owned subsidiary of NHTI) to the parent corporation. Mr. Lee is intending to dissolve the subsidiary corporate entity and needs the two leases assigned to New Horizons Telecom, Inc. to fully accomplish the task.

As a normal course of leasing business with the City, Mr. Leighton Lee will replace his father's personal guarantee on both leases as the 100% shareholder of NHTI stock. NHTI currently holds PMA Lease No. 91-2 and these two assignments will directly consolidate all Palmer Airport Lease holdings to the parent corporation.

NHTI remains our second largest Lessee of airport property and Leighton also serves on the Airport Advisory Commission.

Administration's Recommendation:

To approve Action Memorandum No. 20-053