



Legislation Text

File #: 22-0356, Version: 1

TO: Mayor and City Council

FROM: Steve Andras
Airport Manager

DATE: April 21, 2022

SUBJECT:

Consenting to the refinancing mortgages held by Suburban Properties, LLC (Suburban) on its facilities at the Aurora Municipal Airport.

PURPOSE:

To allow the City to consent to Suburban's proposed refinancing of its leasehold mortgages with another lender.

BACKGROUND:

In 2007, the City entered into a lease with Suburban to allow it to occupy space at the airport. This lease was recently revised and extended in 2021. Suburban operates as a hangar rental business at the Airport. Suburban has previously mortgaged its leasehold, and it desires to refinance its current mortgages to more favorable financing terms.

DISCUSSION:

The City's lease with Suburban allows it to mortgage its leasehold, which is common for tenants at the airport. Though the City may not unreasonably withhold its consent to these mortgages, its consent should not be granted without careful review and consideration of the terms of the mortgages to ensure that the City's rights under the lease are not adversely affected. Outside counsel for the City from Klein, Thorpe & Jenkins, LTD has prepared the attached agreement with Suburban and has determined that the City's rights under the lease are not adversely affected by the proposed mortgages. The Finance Department is also currently reviewing the underlying mortgage documents, to further support this position.

IMPACT STATEMENT:

Approval of this resolution will allow Suburban to refinance its current leasehold mortgages to a more favorable monthly payment, and will allow Suburban to continue its business operations at the Airport.

RECOMMENDATIONS:

That the Committee review the consent agreement and recommend approval of the resolution to the Committee of the Whole and City Council.



CITY OF AURORA, ILLINOIS

RESOLUTION NO. _____
DATE OF PASSAGE _____

A Resolution authorizing the consent of the City to the mortgage of the leasehold interest of Suburban Properties, Inc. at the Aurora Municipal Airport.

WHEREAS, the City of Aurora has a population of more than 25,000 persons and is, therefore, a home rule unit under subsection (a) of Section 6 of Article VII of the Illinois Constitution of 1970; and

WHEREAS, subject to said Section, a home rule unit may exercise any power and perform any function pertaining to its government and affairs for the protection of the public health, safety, morals, and welfare; and

WHEREAS, the City of Aurora ("City") has leased certain real property at the Aurora Municipal Airport to Suburban Properties, Inc. ("Suburban") for, among other things, the purpose of operating as hangar rental operation; and

WHEREAS, the lease between the City and Suburban ("Lease") dated January 3, 2007, and as subsequently amended, provides that Suburban may mortgage its leasehold at the City's reasonable discretion and subject to the provisions of the lease; and

WHEREAS, Suburban has requested the consent of the City to refinance its current mortgages and secure financing with Resource Bank; and

WHEREAS, Suburban's refinance of its mortgages will allow it to continue its business operations at the Aurora Municipal Airport;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Aurora, Illinois, as follows: that the City Treasurer shall be and hereby is authorized to sign on behalf of the City any consents, memoranda, or other documents attendant to the mortgages consistent with the limitations set forth herein