

Mayor and Council Communication

DATE: 05/09/23

M&C FILE NUMBER: M&C 23-0370

LOG NAME: 21MTU MAINTENANCE AMEND1

SUBJECT

(CD 7 / Future CD 10) Authorize the Execution of a Lease Amendment with MTU Maintenance Dallas, Inc. to Use Settlement Proceeds Approved in Mayor and Council Communication 22-1060 to Fund Specific Items of Deferred Maintenance Uncompleted by Former Tenant of Leased Premises at the Alliance Maintenance Base, Adopt Appropriation Ordinance, and Amend the Fiscal Year 2023 Adopted Budget in the Total Amount of \$860,000.00

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of a lease amendment with MTU Maintenance Dallas, Inc. to use settlement proceeds approved in Mayor and Council Communication 22-1060 to fund specific items of deferred maintenance uncompleted by former tenant of leased premises at the Alliance Maintenance Base;
2. Adopt the attached appropriation ordinance increasing estimated receipts and appropriations in the Alliance Maintenance Facility Fund in the amount of \$860,000.00, from available settlement proceeds, for the purpose of funding specific items of deferred maintenance to leased premises at the Alliance Maintenance Base; and
3. Amend the Fiscal Year 2023 Adopted Budget in the total amount of \$860,000.

DISCUSSION:

On January 13, 2023 the City of Fort Worth (City) executed a Mutual Termination, Settlement, and Release Agreement with Rolls-Royce Corporation (Rolls-Royce) as City Secretary Contract No. 50094-T1 (Mayor and Council Communication (M&C) 22-1060) (Settlement) wherein Rolls-Royce agreed to pay \$860,000.00 to the City in lieu of completing their required deferred maintenance obligations to the space located at 2100, 2014 and 2112 Eagle Parkway, Fort Worth Texas, 76177 (Premises).

On January 25, 2023, the City entered into a Facilities Lease Agreement with MTU Maintenance Dallas, Inc. (MTU) as City Secretary Contract No. 58786 (M&C 22-1058) for MTU's use of the Premises that has been recently vacated by former tenant Rolls-Royce.

As a result of discussions and negotiations between the City's Property Management Department, the City's property manager Hillwood Properties, and MTU, it has been agreed, subject to City Council approval, that the City will use the proceeds from the Settlement for the completion of certain items of deferred maintenance to the Premises that were not completed by Rolls-Royce, in an amount up to but not to exceed \$860,000.00.

This M&C will appropriate the \$860,000.00 received from the Settlement to fund the completion of certain deferred maintenance items to the Premises.

The action in this M&C will amend the Fiscal Year 2023 Adopted Budget as approved in connection with Ordinance 25773-09-2022, Section 2. Special Revenue Funds, as listed on page 5:

Alliance Maintenance Facility Fund	FY2023 Adopted Budget	Budget Adjustment	FY2023 Revised Budget
Revenues			
Settle Up Revenue	\$0.00	\$860,000.00	\$860,000.00
Expenditures			
Facility Repair & Maint	\$0.00	\$860,000.00	\$860,000.00

This property is located in COUNCIL DISTRICT 7 / Future COUNCIL DISTRICT 10.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendations, execution of the lease amendment and adoption of the attached appropriation ordinance, funds will be available in the Alliance Maintenance Facility Fund. Prior to any expense being incurred, the Property Management Department has the responsibility to validate the availability of funds.

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