

Mayor and Council Communication

DATE: 08/11/20

M&C FILE NUMBER: M&C 20-0540

LOG NAME: 55FTW FW AMERICAN AERO TANK FARM LEASE

SUBJECT

Authorize Execution of a Tank Farm Lease and Public Fueling Agreement with FW American Aero Operating Company, LLC., for Fuel Site Known as South Fuel Farm at Fort Worth Meacham International Airport (COUNCIL DISTRICT 2)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Tank Farm Lease and Public Fueling Agreement with FW American Aero Operating Company, LLC. for fuel site known as South Fuel Farm at Fort Worth Meacham International Airport.

DISCUSSION:

On March 23, 2020, FW American Aero Operating Company, LLC. (American Aero) purchased Cornerstone Air Center's Fixed Base Operator (FBO) Permit and public fueling rights at Fort Worth Meacham International Airport.

On March 31, 2020, the Aviation Department received a request from American Aero to enter into a new Tank Farm Lease and Public Fueling Agreement for the tank farm known as South Fuel Farm at Fort Worth Meacham International Airport.

If approved, the tank farm usage fee of \$400.00 per month from this lease will generate revenue of \$4,800.00 annually. Rental rates shall comply and adjust with the rates prescribed for the premises by the published Airport Schedule of Rates and Charges. Fuel flowage fees will be paid by American Aero each month according to the current published Airport Schedule of Rates and Charges and in accordance with the Aviation Minimum Standards.

The initial term of the lease will begin upon the execution of the lease and expire on September 30, 2045, with two (2) options to renew for an additional five (5) years each. These lease terms align the Tank Farm Lease and Public Fueling Agreement (Tank Farm Lease) with American Aero's Fixed Based Operator (FBO) lease at the Fort Worth Meacham Administration Building. All terms and conditions of the Tank Farm Lease and Public Fueling Agreement will be in accordance with the standard City and Aviation Lease Policy.

ADVISORY BOARD APPROVAL - On May 21, 2020, the Aviation Advisory Board voted to recommend that the City Council approve a new Tank Farm Lease and Public Fueling Agreement for FW American Aero Operating, LLC.

This property is located in COUNCIL DISTRICT 2.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the lease and fueling agreement, funds will be deposited into the Municipal Airport Fund. The Aviation Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

Submitted for City Manager's Office by: Fernando Costa 6122

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