

# Mayor and Council Communication

DATE: 01/14/20

M&C FILE NUMBER: M&C 20-0024

LOG NAME: 21SCHNEIDER RESOURCES

**SUBJECT**

Authorize the Execution of a Lease Agreement with Schneider Resources, Incorporated for Approximately 6.14 Acres of Space in the North Parking Lot and Approximately 1.7 Acres of Ground Space at the Alliance Maintenance Facility, Located at 2000 Eagle Parkway, Fort Worth, Texas, 76177, to Operate Truckload, Intermodal and Logistics Services (COUNCIL DISTRICT 7)

**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a Lease Agreement with Schneider Resources, Incorporated for approximately 6.14 acres of space in the north parking lot and approximately 1.7 acres of ground space at the Alliance Maintenance Facility located at 2000 Eagle Parkway, Fort Worth, Texas 76177 to operate truckload, intermodal and logistics services.

**DISCUSSION:**

Schneider Resources, Incorporated (SRI) is one of the premier providers of commercial truckload, intermodal and logistical shipping services across the globe. Since 1935, SRI has grown and evolved to become one of the largest fleets with one of the broadest portfolios of services in the industry from local to transcontinental shipping, intermodal freight shipping, supply chain services, inventory management, warehousing, distribution and fulfillment services.

SRI is currently subleasing property from Burlington Northern Sante Fe Corporation ("BNSF") at the Intermodal Center for their operations, however, the sublease expires January 1, 2020 and will not be renewed by BNSF.

SRI identified the Alliance Fort Worth Maintenance Facility to relocate their operations and requested to use space at the facility for their operations. SRI and the City of Fort Worth Property Management Department negotiated and agreed on a lease agreement with the following terms:

**Lease Premises:**

1. Approximately 6.14 Acres of Space In The North Parking Lot to be used for parking, storage and maintenance of tractors, trailers, containers, chassis and personal vehicles; and
2. Approximately 1.7 Acres of Ground Space to install up to two (2) mobile office trailers for general office operations.

**Term:** Three (3) years

**Base rent:**

Term	Parking Lot	Ground Space	Total
Year 1	\$231,045.69	\$34,046.44	\$265,092.13
Year 2	\$231,045.69	\$34,046.44	\$265,092.13
Year 3	\$231,045.69	\$34,046.44	\$265,092.13
<b>Total</b>	<b>\$693,137.07</b>	<b>\$102,139.32</b>	<b>\$795,276.39</b>

**Other Terms:**

The Tenant is responsible for all costs associated with installation and removal of mobile office trailers, including permitting, infrastructure improvements and connection of utilities and utility services.

Total rental revenues and fees resulting from the primary term of this Lease Agreement are estimated to contribute a total of approximately \$800,000.00 toward the Alliance Maintenance Facility Fund.

This property is located in Council District 7.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendations and execution of the lease, funds will be deposited into the Alliance Maintenance Facility Fund. The Property Management Department (and Financial Management Services) are responsible for the collection and deposit of funds due to the City, and prior to any expense being incurred, the Property Management Department also has the responsibility to validate the availability of funds.

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