

# Mayor and Council Communication

**DATE:** 01/12/21

**M&C FILE NUMBER:** M&C 21-0035

**LOG NAME:** 217364 & 7365 LOVE CIR

**SUBJECT**

(CD 7) Authorize Execution of a Ground Lease with Kevin James for City Land Under Residential Improvements Owned by Kevin James at 7364 and 7365 Love Circle, Fort Worth, Texas in the Amount of \$600.00 Per Month

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**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a lease agreement with Kevin James for City property located at 7364 and 7365 Love Circle, Fort Worth, Texas 76135 on which is located a residential home owned by Kevin James at a monthly rent of \$600.00.

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**DISCUSSION:**

On June 27, 2018, the City of Fort Worth received notice that the original lease between the City and the Lessee of the City-owned property at 7364 and 7365 Love Circle was incorrectly transferred as fee simple instead of assigning the leasehold interest.

Kevin James purchased the improvements through a title company that failed to obtain the necessary signatures to assign the leasehold interest and the Lessee of record has not been located to complete this process.

The monthly rental fees have gone delinquent since the transfer of ownership of the improvements and the city has defaulted the lease and terminated the Lessee's rights.

To resolve the legal access issues resulting from the incorrect sale of the improvements, staff recommends that the City enter into an eighteen-month lease at the current market value to provide Mr. James with access and the ability to occupy the house on City property. Mr. James will be eligible to purchase the leased land in accordance with the current Lake Worth Sales Program approved by Council on November 8, 2016 (M&C L-15964). No renewals or extensions are provided for in this lease.

The Lease terms are as follows:

- **Term length:** Eighteen (18) month term
- **Base rent:** Primary term is \$600.00 per month

This agreement is expected to contribute lease revenues of approximately \$10,800.00 for the eighteen-month term to the General Fund, Lake Worth Leases.

This property is located in COUNCIL DISTRICT 7.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

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**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and execution of the lease, funds will be deposited into the General Fund. The Property Management 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:** Dana Burghdoff 8018

**Originating Business Unit Head:** Steve Cooke 5134

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