

Mayor and Council Communication

DATE: 10/15/24

M&C FILE NUMBER: M&C 24-0874

LOG NAME: 55FTW ADMIN BLDG LEASE AGREEMENT STE L11, FORT WORTH JET

SUBJECT

(CD 2) Authorize Execution of a Three-Year Administration Building Office Lease Agreement Including Two One-Year Renewal Options with Fort Worth Jet, LLC for Suite L11 at Fort Worth Meacham International Airport

RECOMMENDATION:

It is recommended that the City Council authorize execution of a three-year Administration Building Office Lease Agreement, including two one-year renewal options, with Fort Worth Jet, LLC for Suite L11 located at Fort Worth Meacham International Airport.

DISCUSSION:

The purpose of this Mayor and Council Communication (M&C) is to recommend that the City Council authorize execution of a three (3) year administration building office lease agreement with Fort Worth Jet, LLC for Suite L11 located at Fort Worth Meacham International Airport.

On or about August 27, 2021, City of Fort Worth (Lessor) and Fort Worth Jet & Associates, LLC (Lessee) entered into City Secretary Contract No. (CSC) 56252 an Administration Building Office Annual Lease Agreement (Previous Lease) at Fort Worth Meacham International Airport. Previous Lease expired on August 31, 2024 with three options to renew for one year each.

On or about August 1, 2024, the Lessor was informed that on or about July 25, 2024, Lessee forfeited its existence and reinstated its company in the name of Fort Worth Jet, LLC. (FWJ). Pursuant to Chapter 11, section 11.052, "Winding Up Procedures," of the Texas Business Organization Code, the Managing Member of a limited liability corporation has the authority to wind up its existing affairs. As a result, the Lessor and Lessee opted not to renew the Previous Lease and entered into a month-to-month lease agreement until a new lease can be approved by City Council.

The Lessor and FWJ now wish to enter into a new three (3) year lease agreement for Suite L11, consisting of approximately 1,020 square feet of lower level office space at a rate of \$14.50 per square foot. The initial term of this lease shall commence on November 1, 2024 (Effective Date) and expire at 11:59 PM on October 31, 2027, three (3) years following the Effective Date. The lease will include two one-year options to renew for a total of an additional two (2) years, bringing the total potential lease term to five (5) years. Total revenue received from the lease will be in the amount of \$14,790.00 per year, payable in monthly payments of \$1,232.50 per month. On October 1, 2025, and on October 1st of each year thereafter in which this lease is still in effect, FWJA's rental rate shall be adjusted to comply with the rates prescribed for the Premises by Lessor's Schedule of Rates and Charges in effect at the respective time.

FWJ has agreed Suite L11 is finished-out and any construction, renovation or adjustments to the unit will be at its sole cost with no build-out or tenant allowance provided by the City of Fort Worth nor the Aviation Department in a manner consistent with Aviation Department policy.

Fort Worth Meacham International Airport 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, 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.

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