

Mayor and Council Communication

DATE: 03/23/21

M&C FILE NUMBER: M&C 21-0217

LOG NAME: 55FTW RICHARDSON AVIATION LEASE AMENDMENT 2 FOR LEASE SITE 45S

SUBJECT

(CD 2) Authorize the Execution of Amendment No. 2 to City Secretary Contract 40981, a Hangar and Ground Lease Agreement known as Lease Site 45S with Richardson Aviation to Include an Additional 26,042 Square Feet of Ground Space Adjacent to Lease Site 45S Located at Fort Worth Meacham International Airport

RECOMMENDATION:

It is recommended that the City Council authorize the execution of Amendment No. 2 to City Secretary Contract 40981, a hangar and ground lease agreement known as Lease Site 45S with Richardson Aviation to include an additional 26,042 square feet of ground space adjacent to Lease Site 45S at Fort Worth Meacham International Airport.

DISCUSSION:

On or about October 22, 2010, the City (Lessor) and Richardson Aviation (Lessee) entered into City Secretary Contract (CSC) 40981, a hangar and ground lease agreement for the lease and use of real property known as Lease Site 45S consisting of a total of 260,569 square feet of hangar and ground space at Fort Worth Meacham International Airport. CSC 40981 is currently in its first renewal option with two additional ten-year options to renew for a potential expiration date of September 30, 2050.

On or about April 14, 2014, the Lessee and Lessor entered in to CSC 40981-A1 to expand the premises to include an additional 73,547 square feet of ground space for a total of 334,116 square feet.

Lessee and Lessor now wish to amend the lease to include 26,042 of ground space Lessee is already maintaining adjacent to Lease Site 45S. Provided that all requirements are met and proper agreements are executed, future use of the property may include an above-ground fuel tank for the purpose of self-fueling. The additional 26,042 square feet will amend the total ground space leased to 360,158 square feet.

Annual revenue generated from the ground space of the amended lease is \$152,430.75, which will be payable in monthly installments of \$12,702.56. Lessee currently pays Lessor, as annual rent for the hangar, \$147,133.30, payable in equal monthly installments of \$12,261.11. Hangar rates will not be effected by this amendment.

On October 1 of any given year, rental rates shall be subject to an increase based on the upward percentage change in the Consumer Price Index for the Dallas-Fort Worth Metropolitan area. At no time will the adjusted rate exceed the rate that is current in the Schedule of Rates and Charges. All terms and conditions of the lease agreement will be in accordance with City of Fort Worth and Aviation Department policies.

ADVISORY BOARD APPROVAL: On November 12, 2020, the Aviation Advisory Board voted to recommend that the City Council approve this action.

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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