

Mayor and Council Communication

DATE: 01/14/20

M&C FILE NUMBER: M&C 20-0022

LOG NAME: 21OMNI AIR INTERNATIONAL

SUBJECT

Authorize the Execution of a Lease Agreement with Omni Air International, Incorporated For Approximately 27,350 Square Feet of Industrial Space Located in the Structures and Maintenance Buildings and Use of the Vacant Aircraft Apron Located at the Alliance Fort Worth Maintenance Facility, 2070 Eagle Parkway, Fort Worth, Texas 76117 For Air Transport Service Operations (COUNCIL DISTRICT 7)

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a Lease Agreement with Omni Air International, Incorporated for approximately 27,350 square feet of industrial space located in the Structures and Maintenance buildings and use of the vacant aircraft apron located at the Alliance Fort Worth Maintenance Facility, 2070 Eagle Parkway, Fort Worth, Texas 76117 for air transport service operations.

DISCUSSION:

Omni Air International, Inc. (OAI) is a private airline that provides charter services around the globe for U.S. and foreign military troops, military family members, government employees and natural and humanitarian disaster relief.

OAI is currently operating at DFW Airport and is under a yearly renewable contract with the Department of Defense (DOD) to transport service personnel to sites around the globe.

Due to the demolition of the facility that houses OAI's operations and additional logistic concerns at DFW, OAI is relocating their operations to the Alliance Fort Worth Maintenance Facility.

The City of Fort Worth Property Management Department and OAI have successfully negotiated a Lease Agreement under the following terms:

Lease Premises:

- Structures Building: Approximately 27,000 square feet of space.
- Maintenance Building: The 350 square foot building adjacent to the Structures Building.
- Aircraft Parking: Six (6) aircraft parking spaces on the aircraft apron.

Term Length:

Five (5) year primary term with five (5) one (1) year successive lease renewal options and the option to terminate the Lease Agreement at the end of each fiscal year term if the DOD does not renew the contract with OAI.

Base Rent:

Term	Price per Square Foot
Years 1 - 3	\$1.00 per SF
Year 4	\$1.10 per SF
Year 5	\$1.20 per SF

Aircraft Parking Fees:

Year 1	\$62,000.00
Year 2	\$112,000.00
Year 3	\$112,000.00
Year 4	\$162,000.00
Year 5	\$162,000.00

Additionally, the revenues from Jet Fuel Sales to OAI from the AMF Fuel Farm are estimated to be approximately \$36,000.00 per year.

Total rental revenues, fees and reimburseable expenses resulting from the primary term of this Lease Agreement are estimated to contribute a total of approximately \$1,500,000.00 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(s), funds will be deposited into the Alliance Maintenance Facility Fund Lease Revenue Account. The Property Management Department (and Financial Management Services) are responsible for the collection and deposit of funds due to the City.

Submitted for City Manager's Office by: Kevin Gunn 2015

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