

Mayor and Council Communication

DATE: 09/14/21

M&C FILE NUMBER: M&C 21-0683

LOG NAME: 55AFW AIR TRAFFIC CONTROL MANAGEMENT AGREEMENT

SUBJECT

(CD 7) Authorize Execution of a Property Management Agreement with Hillwood Alliance Services, LLC, in an Amount Not to Exceed \$150,000.00 Annually for the Management of the Air Traffic Control Tower Facility at Fort Worth Alliance Airport

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a property management agreement with Hillwood Alliance Services, LLC, in an amount not to exceed \$150,000.00 annually for the management of the Air Traffic Control Tower Facility at Fort Worth Alliance Airport.

DISCUSSION:

The Air Traffic Control Tower (ATC) at Fort Worth Alliance Airport (Alliance) is owned by the City of Fort Worth and is leased and operated by the Federal Aviation Administration (FAA). The ATC operates 24 hours a day, 7 days a week. It was the responsibility of staff at the Aviation Department to respond to any maintenance needs for the ATC since the construction of the facility in the 1990's. In June of 2014, the City agreed that with the continued growth of Meacham Airport it had become increasingly difficult to respond to maintenance issues in a timely manner, especially after hours. Hillwood Alliance Services, LLC (Hillwood) is already located at Alliance Airport and equipped with on-site maintenance staff, therefore capable of handling maintenance request and capital improvement needs in a more efficient manner.

On or about June 9, 2014, the City and Hillwood entered into City Secretary Contract (CSC) No. 45657, an agreement for the management and maintenance of the FAA Air Traffic Control Tower located at Alliance. Under this agreement, Hillwood performs general maintenance tasks that include but are not limited to heating, ventilation/air conditioning repairs, landscaping/tree maintenance, plumbing, electrical, elevator maintenance, minor roof repairs and trash removal. The cost for services was estimated to be up to \$65,000.00 annually. Because Hillwood has maintenance staff at their facilities, response times to maintenance issues are improved, especially after hours and weekends. Hillwood also provides project oversight for the City when capital improvements are needed for the facility. This agreement expired on September 30, 2018 and is currently within its first five-year renewal period, which expires on September 30, 2023.

On October 1, 2019, the City entered into CSC 55352, a new lease agreement with the FAA for the Air Traffic Control Tower at Alliance. CSC 55352 updates the terms and conditions of the FAA ATC lease agreement, which includes an updated budget and schedule for operating expenses and capital improvements. Annual revenue generated from the new lease agreement will be One Hundred Fifty-Four Thousand Seven Hundred Twenty-Eight Dollars (\$154,728.00). Due to the updates in the FAA ATC lease agreement, staff now recommends terminating CSC 45657 and enter into a new management agreement with Hillwood to reflect the new budget not to exceed \$150,000.00 annually. Hillwood will continue to provide the same level of service and to perform all tasks as in the original agreement. In addition, the new management agreement will include a more expanded scope of services to include an updated projected budget for operating expenses, projected capital improvement budget, oversight of construction projects and revised schedule for submission of invoices. This new management agreement will commence the beginning of Fiscal Year(FY) 2022 and the annual amount is included in the budget for FY2022. The initial term of the new agreement will expire on December 31, 2021 and the City will have the option to renew this agreement for up to five (5), one (1) year renewal terms.

Revenue generated from the lease of the facility to the FAA will cover the annual costs of this agreement. The FAA concurs with the need for this agreement.

Fort Worth Alliance Airport is in COUNCIL DISTRICT 7.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the Fiscal Year 2022 Budget by the City Council, funds will be available in the Fiscal Year 2022 operating budget, as appropriated, in the Municipal Airports Fund. Prior to an expenditure being incurred, the Aviation Department has the responsibility to validate the availability of funds.

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