

# Mayor and Council Communication

**DATE:** 01/25/22

**M&C FILE NUMBER:** M&C 22-0072

**LOG NAME:** 21 BURNS & MCDONNELL EXPANSION ON THE 16TH FLOOR

**SUBJECT**

(CD 9) Authorize Execution of an Amendment to Sublease with Burns & McDonnell Engineering Company, Inc. for Office Space in the Future City Hall Located at 100 Energy Way, Fort Worth, Texas 76102 to Expand the Leased Premises and to Provide for an Earlier Termination Date

**RECOMMENDATION:**

It is recommended that the City Council authorize execution of an amendment to the sublease with Burns & McDonnell Engineering Company, Inc. for office space in the future City Hall located at 100 Energy Way, Fort Worth, Texas 76102 to expand the leased premises and to provide for an earlier termination date.

**DISCUSSION:**

The purpose of this Mayor and City Council Communication (M&C) is to authorize the execution of an amendment to the sublease agreement (Sublease) with Burns & McDonnell Engineering Company, Inc. (Burns & McDonnell) for Suite 1600, consisting of the entirety of the 17th floor and one-half of the 16th floor, or approximately 39,757 rentable square feet of space, in the future City Hall building located at 100 Energy Way, Fort Worth, Texas 76102. On December 15th, 2020, the City Council authorized the acquisition of the building from Hertz Fort Worth Energy Way L.P. and accepted assignment of the building's existing leases, including the Sublease with Burns & McDonnell (M&C 20-0910). The Sublease currently provides Burns & McDonnell with an option to extend the term of the Sublease through June 30, 2027. Recently, Burns & McDonnell approached the Property Management Department and inquired about the possibility of using and occupying the remainder of the 16th floor, approximately 13,257 of rentable square feet of space.

The Property Management Department recommends amending the Sublease to (1) allow Burns & McDonnell to use and occupy the remainder of the 16th floor, approximately 13,257 of rentable square feet of space; and (2) revoke Burn & McDonnell's option to extend the term of the Sublease, providing for an expiration date of August 31, 2024. The amendment would also revise the base rent payment schedule to include the additional 13,257 of rentable square feet of space as follows:

Months	Beginning Month	Monthly	Total
3	4/1/2022	\$30,491.10	\$91,473.30
24	7/1/2022	\$33,142.50	\$795,420.00
2	7/1/2024	\$35,904.38	\$71,808.75
Total Mo. 29			<b>\$958,702.05</b>

The property is located in COUNCIL DISTRICT 9.

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

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that upon approval of the above recommendation and execution of the amendment to the agreement, 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

**Additional Information Contact:** Greg Wingate 0496

