

Mayor and Council Communication

DATE: 08/17/21

M&C FILE NUMBER: M&C 21-0584

LOG NAME: 55FTW FORT WORTH JET & ASSOC ADMIN BLDG LEASE L11

SUBJECT

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

RECOMMENDATION:

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

DISCUSSION:

On or about October 1, 2020, City of Fort Worth (Lessor) and Fort Worth Jet, LLC (Lessee) entered into City Secretary Contract No. (CSC) 54596 an Administration Building Office Annual Lease Agreement (Previous Lease) at Fort Worth Meacham International Airport. Previous Lease expires on September 30, 2021 with three options to renew for one year each.

On or about June 14, 2021, the Lessor was informed that on or about February 2021, Lessee forfeited its existence and formed a new company in the name of Fort Worth Jet & Associates, LLC. (FWJA). 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 entered into a mutual agreement to terminate Previous Lease on August 31, 2021.

The Lessor and FWJA 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 September 1, 2021 (Effective Date) and expire at 11:59 PM on August 31, 2024, 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, 2021, 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.

FWJA 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.

Submitted for City Manager's Office by: Fernando Costa 6122

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