

City of Fort Worth, Texas

# Mayor and Council Communication

**DATE:** 11/09/21

**M&C FILE NUMBER:** M&C 21-0864

**LOG NAME:** 55FTW ALPHA LEASE MGMNT ADMIN BLDG STE L32

## **SUBJECT**

(CD 2) Authorize Execution of an Administration Building Office Lease Agreement with Alpha Lease Management, LLC for Suite L32 at Fort Worth Meacham International Airport

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## **RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a three year Administration Building Office Lease Agreement with Alpha Lease Management, LLC for Suite L32 located at Fort Worth Meacham International Airport.

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## **DISCUSSION:**

On September 3, 2021, staff received a request from Alpha Lease Management, LLC (Alpha) to lease approximately 1,917 square feet of lower level office space known as Suite L32 at the Meacham Administration Building located at the Fort Worth Meacham International Airport.

Alpha has agreed to execute a new 3-year lease agreement for Suite L32, consisting of approximately 1,917 square feet of lower level office space at a rate of \$14.50 per square foot. The initial term of this lease shall commence upon execution by Lessor (Effective Date) and expire at 11:59 PM 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 lease term to five (5) years. Annual revenue received from the lease will be approximately \$27,796.50 per year, payable in monthly payments of \$2,316.38 per month. On October 1, 2022, and on October 1st of each year thereafter in which this lease is still in effect, Alpha'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.

In order to promote self-sustainability of airports, the Federal Aviation Administration (FAA) has agreed to allow non-aeronautical leases not to exceed five (5) years for the Meacham Administration Building as long as there is not an aeronautical demand. Non-aeronautical leases include a termination clause in the event there becomes an aeronautical demand.

Alpha has agreed Suite L32 is finished-out and any construction 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.

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## **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

**Originating Business Unit Head:** Roger Venables 5402

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