

# Mayor and Council Communication

**DATE:** 03/09/21

**M&C FILE NUMBER:** M&C 21-0183

**LOG NAME:** 55FTW TANK FARM CONSENT TO ASSNMNT RICHARDSON TO AMERICAN AERO

**SUBJECT**

(CD 2) Authorize Execution of a Consent to Assignment of a Tank Farm Lease and Public Fueling Agreement by Richardson Aviation to FW American Aero Operating Company, LLC, for Fuel Farm Site 3 at Fort Worth Meacham International Airport

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**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a Consent to Assignment of a Tank Farm Lease and Public Fueling Agreement by Richardson Aviation to FW American Aero Operating Company, LLC, for Fuel Farm Site 3 at Fort Worth Meacham International Airport.

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**DISCUSSION:**

On November 11, 2014, Richardson Aviation entered into City Secretary Contract (CSC) 46138 a Tank Farm and Public Fueling Agreement (Lease) consisting of approximately 3,600 square feet of ground space for use as a fuel farm. The initial term of CSC 46138 expired on September 30, 2020 with three (3) options to renew for ten (10) years each. After the initial term expired, Richardson Aviation was on holdover status until December 28, 2020.

On December 28, 2020, Richardson Aviation exercised its first option to renew CSC 46138 and entered into CSC 46138-R1 which expires on September 30, 2030 with the remaining two (2) options to renew for ten (10) years each.

On February 16 2021, staff received a request from Richardson Aviation to assign CSC 46138 and 46138-R1 to FW American Aero Operating Company, LLC (American Aero). Upon City Council approval, American Aero will assume oversight of all leasehold interests and obligations associated with the Lease and Richardson Aviation will surrender its Fixed Based Operators (FBO) Permit.

The Lease prohibits Richardson Aviation from making any assignment of the Lease to be made of the leased premises without City Council approval. This type of transaction is routine for large airport tenants and staff has no objection to this request.

Under the current agreement, Richardson Aviation remits the amount of \$4,800.00 annually to the City, payable in monthly installments of \$400.00. After the assignment, American Aero will remit the same amount and be subject to the provisions contained within the original agreement.

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 6334

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Expedited