

Mayor and Council Communication

DATE: 05/09/23

M&C FILE NUMBER: M&C 23-0378

LOG NAME: 211349BOMBER

SUBJECT

(CD 7 / Future CD 7) Authorize Renewal of Lake Worth Lease with the U.S. Air Force for Lots 14B and 14C, Block 32, Located at 1349 Bomber Spur Road, Fort Worth, Tarrant County, Texas 76108 in the Annual Amount of \$3,259.00 for a Five-Year Term with One, Five-Year Renewal Option

RECOMMENDATION:

It is recommended that the City Council authorize the renewal of a Lake Worth lease with the U.S. Air Force for Lots 14B and 14C, Block 32, located at 1349 Bomber Spur Road, Fort Worth, Tarrant County, Texas 76108 in the annual amount of \$3,259.00 for a five-year term with one, five-year renewal option.

DISCUSSION:

This purpose of this Mayor and Council Communication (M&C) is to authorize the renewal of a Lake Worth lease with the U.S. Air Force for four parcels of property located at 1349 Bomber Road, Fort Worth, Tarrant County, Texas 76108 and also known as Lots 14B and 14C, Block 32. The lease would provide for annual rent in the amount of \$3,259.00 with an initial five-year term and one, five-year renewal option.

The four parcels will be leased to the U.S. Air Force for use as part of the Lockheed Aircraft Manufacturing Plant (Lockheed) and the Naval Air Station Joint Reserve Base Fort Worth. Parcel No. 1 will be used as a water intake facility for Lockheed. Parcels No. 2, 3, and 4 will be used for Lockheed and the Naval Air Station Joint Reserve Base Fort Worth.

In 1954, in the interest of the national defense, the City Council adopted a resolution authorizing the lease of Parcel No. 4 to the United States Government for an annual rate of \$1.00. The lease for all four parcels was last renewed for a twenty-five year term on July 1, 1997 (M&C L-12087) at a annual rate of \$1800.00 for Parcel No. 1 and \$1.00 for each of Parcels Nos. 2, 3, and 4. A new lease rate for Parcel No. 1 was determined by calculating an approximately two-and-one-half percent (2.5%) per year increase using the previous rate of \$1,800.00 as a starting point for the calculation. This calculation yields an approximate \$3,256.00 annual rental rate at the end of the twenty-five year lease term. The U.S. Air Force is proposing to renew the lease for Parcels Nos. 2, 3, and 4 by continuing the annual rate of \$1.00 per parcel. The renewal will include a five-year term, effective as of July 1, 2022, with the option to renew for one additional five-year term.

Parcel No.	Approximate Size	Lease Rate/Year
1	1.848 acres	\$3,256.00
2	0.630 acres	1.00
3	0.570 acres	1.00
4	39.200 acres	1.00
		\$3,259.00

The property is located in COUNCIL DISTRICT 7 / FUTURE COUNCIL DISTRICT 7.

A Form 1295 is not required because: This contract will be with a governmental entity, state agency or public institution of higher education: USACE

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and execution of the lease 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.

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