

Mayor and Council Communication

DATE: 09/12/23

M&C FILE NUMBER: M&C 23-0769

LOG NAME: 21LIBRARY BRANCH AT 9300 CLIFFORD

SUBJECT

(CD 7) Authorize the Execution of a Lease Agreement with Hickman Investments, LTD, for Approximately 4,051 Square Feet of Space in Suite 120, Located at 9336 Clifford Street, Fort Worth, TX 76108 for a New Branch Library

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a lease agreement with Hickman Investments, LTD, for approximately 4,051 square feet of space in suite 120 at the shopping center, located at 9336 Clifford St., 76108 for a new branch library in District 7.

DISCUSSION:

The City of Fort Worth Library Department (Library) and Hickman Investments, LTD (Hickman) have been in discussions and are in agreement for the Library to lease space in the shopping center to add a new west branch library to provide numerous programs and services to a larger segment of the community.

With assistance from the City of Fort Worth Property Management Department, the Library and Hickman have agreed on terms to lease suite #120 in the shopping center.

The terms are as follows:

- Lease term length of 123 months (3 months plus ten (10) years) with the estimated lease commencement date of October 1, 2023 and lease expiration date of December 31, 2033.
 - Base rent for the length of the ten (10) year lease will be as follows:

Lease Year 1	\$6,751.67 Per Month	(\$20 per square foot)
Lease Year 2	\$6,954.22 Per Month	(\$20.60 per square foot)
Lease Year 3	\$7,163.52 Per Month	(\$21.22 per square foot)
Lease Year 4	\$7,379.57 Per Month	(\$21.86 per square foot)
Lease Year 5	\$7,602.38 Per Month	(\$22.52 per square foot)
Lease Year 6	\$7,831.93 Per Month	(\$23.20 per square foot)
Lease Year 7	\$8,068.24 Per Month	(\$23.90 per square foot)
Lease Year 8	\$8,311.30 Per Month	(\$24.62 per square foot)
Lease Year 9	\$8,561.11 Per Month	(\$25.36 per square foot)
Lease Year 10	\$8,817.68 Per Month	(\$26.12 per square foot)

- “Additional Rental” expenses as described in the Lease Agreement including Common Area Maintenance, Insurance Charges, and Real Estate Charges average approximately \$9.00 per square foot for a total of \$3,041.63 per month for the first year and annual increases are not to exceed 10% from the previous year throughout the term of the Lease unless agreed to in an amendment to the Lease.
- Upon the execution of the Lease, the City will pay a security deposit of \$11, 859.31 and a prepaid rental amount of \$9,793.30.
- The base rent is approximately 11% to 15% below Fair Market Value, and the triple net lease is at Fair Market Value.
- The Library is responsible for acquiring utilities and paying utility expenses for the leased premises.
- Landlord will provide new flooring for the entire Leased Premises, new paint for the entire Leased Premises, replacement of damaged or missing ceiling tiles, and an updated entrance for the existing restroom at Landlord’s expense prior to execution of Lease and to be completed prior to Lease Commencement date.
- City plans to utilize existing job order contracts to finish out the remainder of the Leased Premises if necessary.

Funding will be budgeted in the Library Department’s Other Contractual Services Account within the General Fund for Fiscal Year 2024.

This property is located in COUNCIL DISTRICT 7.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that upon approval of the above recommendation and adoption of the Fiscal Year 2024 Budget by the City Council, funds will be available in the Fiscal Year 2024 operating budget, as appropriated, in the General Fund. Prior to an expenditure being

incurred, the Library Department has the responsibility to validate the availability of funds.

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Expedited