

Mayor and Council Communication

DATE: 03/25/25

M&C FILE NUMBER: M&C 25-0253

LOG NAME: 17THIRD BAC LEASE & OPERATING AGREEMENT

SUBJECT

(ALL) Authorize Execution of a One-Year Lease and Operating Agreement with Accelerate DFW Foundation, Inc., Formerly Known as the Fort Worth Business Assistance Center Education Foundation, Inc., for the Former Guinn Elementary School Building Located at 600 East Rosedale, Fort Worth, Texas, 76104 for \$1.00 Per Year for Use as a Business Accelerator and Find that the Lease and Operating Agreement Serves a Public Purpose and that Adequate Controls are in Place to Ensure that the Public Purpose is Accomplished

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the execution of a one-year Lease and Operating Agreement with two, one-year renewal options with Accelerate DFW Foundation, Inc., formerly known as the Fort Worth Business Assistance Center Foundation, Inc., for the former Guinn Elementary School Building Located at 600 East Rosedale, Fort Worth, Texas, 76104 for \$1.00 per year for use as a business accelerator; and
 2. Find that the Lease and Operating Agreement serves the public purpose of promoting business within the City of Fort Worth and that the Lease and Operating Agreement includes adequate controls to ensure that the public purpose is accomplished.
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DISCUSSION:

On March 24, 2020, through Mayor & Council Communication 20-0196, the City Council authorized the execution of the second Lease and Operating Agreement with Accelerate DFW Foundation, Inc., formerly known as the Fort Worth Business Assistance Center Education Foundation, Inc. (The Foundation), to operate a business accelerator at the former Guinn Elementary School Building located at 600 East Rosedale, Fort Worth, Texas, 76104.

Business accelerators are programs that give developing companies access to mentorship, investors, and other support that can help them become stable and self-sufficient. In addition to mentorship and investment opportunities, a business accelerator gives growing companies access to logistical and technical resources, shared office space, and connection to a network of peers from whose experience they can learn, which, in turn, creates jobs and contributes to economic growth.

The City's component of the Devoyd Jennings Business Assistance Center (BAC) is part of the Economic Development Department. The BAC is located in the former Guinn Elementary School Building, along with other business support organizations that provide business training, counseling, and financing. Additionally, The Foundation is a non-profit component of the BAC. The Foundation supports the mission of the BAC and its non-profit status allows it to seek and obtain corporate sponsorships. The Foundation represents a public/private partnership with the City, as reflected by its Board of Directors, which consists of corporate representatives and small business owners who possess a broad range of business expertise and experience.

Because the Foundation already supports the mission of the BAC, provides business expertise and experience, has extensive history with supporting the mission of the BAC, and is able to seek private sector sponsorships and other funding sources, it is uniquely positioned to manage and operate the business accelerator. To assist the Foundation in fulfilling its role of managing and operating the accelerator, the City intends to lease the former Guinn Elementary School Building to the Foundation for \$1.00 per year with two, one-year renewal options.

The terms of the Lease and Operating Agreement between the Foundation and the City would be as follows:

- Begins immediately upon execution and continues for one-year, with two one-year renewal terms;
- The Foundation will use the building solely as a business accelerator and will sublease offices within the building to its clients to support their growth and development;
- The Foundation will retain all sublease revenue generated by its subtenants;
- The City will cover building utilities, maintenance, security, janitorial, insurance, and taxes, if any, imposed for the building under the existing Economic Development Department budget;
- Either party may terminate the lease for convenience with no less than three months' notice;
- The Foundation shall provide quarterly reports and an annual report to the City regarding accelerator operations and shall include all relevant information requested by the City (i.e. number of companies in the accelerator, terms and duration of subleases, basic client company information, entrance and exit criteria, training and support services provided or referred, number of companies graduated, jobs created, jobs retained, and financial information regarding operations);
- The Foundation shall be responsible for hiring appropriate personnel required to effectively manage and operate the accelerator;
- The City shall designate a primary liaison to the Foundation to serve as its primary point of contact and for communication and discussion of relevant matters; and
- The Foundation shall meet periodically or as needed with the City to discuss accelerator operations and other relevant matters.

The operations of the Foundation are housed within the former Guinn Elementary School at 600 East Rosedale, located in COUNCIL DISTRICT

11, but will serve Fort Worth residents in ALL COUNCIL DISTRICTS.

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 Economic Development Department (and Financial Management Services) is responsible for the collection and deposit of funds due to the City.

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Expedited