

Mayor and Council Communication

DATE: 12/13/22

M&C FILE NUMBER: M&C 22-1057

LOG NAME: 21CAMP BOWIE LIBRARY LEASE

SUBJECT

(CD 3) Authorize the Execution of a Lease Agreement with SV Vegas Trail, LLC, for Approximately 24,043 Square Feet of Space in Suites 8604, 8610, 8622, 8628, 8632 and a Portion of 8636 Camp Bowie West Blvd, Located in Vegas Trail Center, Fort Worth, Texas, 76116 to Relocate the Current Downtown Back Office Library Staff and Book Storage and Distribution Functions

RECOMMENDATION:

It is recommended that the City Council authorize the execution of a lease agreement with SV Vegas Trail, LLC, for approximately 24,043 square feet of space in suites 8604, 8610, 8622, 8628, 8632 and a portion of 8636 Camp Bowie West Blvd, located in Vegas Trail Center, Fort Worth, Texas, 76116 to relocate the current downtown back office library staff and book storage and distribution functions.

DISCUSSION:

Due to the pending sale of the City of Fort Worth downtown library, the Library Department (Library) will be required to relocate staff for 10 divisions including materials storage, processing and distribution to another location.

Through an extensive search, the Property Management Department (PMD) located a property, owned by SV Vegas Trail, LLC (Owner), that consists of approximately 24,043 square feet of available space in suites 8604 - 8636, along with adequate parking and truck loading dock, in the Vegas Trail Center at Camp Bowie West Boulevard (Premises) that meets the Library's needs.

PMD and Owner, with approval of the Library, have agreed on the following lease terms:

- Term:
 - Primary Term: Ten (10) years.
 - Renewal Term: Two (2) successive five (5) year renewal terms.
- Dates:
 - Estimated Effective Date: January 1, 2023
 - Estimated Commencement Date: July 1, 2023
 - The period between the Effective Date and Commencement Date is when Tenant Improvements will be completed. During this period, Tenant is not responsible for paying base rent or additional expenses, only utilities for the Premises.
- Base rent:
 - Years 1 - 5: \$24,463.75 per month upon Commencement Date.
 - Years 6 - 10: \$26,910.13 per month
 - Rent for any renewal term will be at the then current market rate. Renewals are at the Library's discretion.
- Additional Expenses to be paid by City:
 - Expenses for property insurance, real estate taxes and common area maintenance for the Premises (Additional Expenses) are approximately \$2.80 per square foot for the first year under the term.
 - All Additional Expenses increase throughout the term and the Common Area Expenses are capped at 5% from the prior years Additional Expenses under the term. For the first year, the City will pay \$66,839.52 in Additional Expenses.
- Tenant Improvements:
 - Landlord, at their expense, will deliver the space with building systems in good working order and build out ready.
 - Landlord has agreed to perform certain improvements to the Premises to the Library Department's specifications prior to the beginning of the term. It is estimated such build out will cost the Landlord approximately \$530,000.00 which has been factored into the base rent amount being charged to the City.

Funding is budgeted in the Other Contractual Services account within the Library Department's General Fund, as appropriated.

This property is located in COUNCIL DISTRICT 3.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that funds are available in the current operating budget, as previously appropriated, in the General Fund to support the approval of the above recommendation and execution of the lease agreement. Prior to any expenditure being incurred, the Library Department has the responsibility to validate the availability of funds.

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