

Mayor and Council Communication

DATE: 09/27/22

M&C FILE NUMBER: M&C 22-0766

LOG NAME: 55FWS FWS REALTY, LTD TERMINAL RAMP IMPROVED GROUND LEASE

SUBJECT

(CD 6) Authorize Execution of a New Improved Ground Lease Agreement for Approximately 42,201 Square Feet of Improved Ground Space, Also Known as the "Terminal Ramp" with FWS Realty, LTD. at Fort Worth Spinks Airport

RECOMMENDATION:

It is recommended that the City Council authorize execution of a new improved ground lease agreement for approximately 42,201 square feet of improved ground space, also known as the "Terminal Ramp" with FWS Realty, LTD at Fort Worth Spinks Airport.

DISCUSSION:

FWS Realty, LTD (FWS Realty) operates a Fixed Base Operator (FBO) at Fort Worth Spinks Airport (Spinks Airport) called Harrison Aviation. On or about March 31, 2022, staff determined that FWS Realty was not in compliance with the minimum standards relating to the amount of ramp space required to be leased. FWS Realty is amenable to leasing additional ramp space adjacent to and directly in front of the terminal building FWS Realty leases and operates. The ramp space consists of concrete with proper specifications for general use as an airport ramp to support and park aircraft. Since the ramp space is already improved, there are no mandatory improvements required in the lease agreement. The ramp space is known as Terminal Ramp.

The total amount of ground space requested for Terminal Ramp is approximately 42,201 square feet. The total revenue received from this lease will be approximately \$13,082.31 annually, payable in monthly installments of \$1,090.19. Rental rates shall be subject to an increase on October 1st of any given year, based on the upward percentage change in the Consumer Price Index for the Dallas-Fort Worth Metropolitan area. At no time will the adjusted rate exceed the rate that is current in the Schedule of Rates and Charges. Five-year rate adjustments will be applied to the ground rate starting on October 1, 2022, and every fifth year thereafter. Leasing this additional ramp space will bring FWS Realty into compliance with the minimum standards.

The initial term of the lease shall commence on the date of the execution of the lease agreement and expire on September 30, 2041 in alignment with FWS Realty's Terminal Building Lease Agreement. All terms and conditions of the lease agreement will be in accordance with City of Fort Worth and Aviation Department policies.

ADVISORY BOARD APPROVAL: On July 22, 2022, the Aviation Advisory Board voted to recommend that the City Council approve the improved ground lease agreement.

Fort Worth Spinks Airport is located in Council District 6.

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 the funds due to the City.

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Expedited