

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 09/26/23 M&C FILE NUMBER: M&C 23-0810

LOG NAME: 21100 MAIN ST. DOWNTOWN LIBRARY

**SUBJECT**

(CD 9) Authorize the Execution of a Lease Agreement with Pescador Partners, LTD for Approximately 8,746 Square Feet of Space at 100 Main Street, 76102 for the New Downtown Library Branch

**RECOMMENDATION:**

It is recommended that the City Council authorize the execution of a lease agreement with Pescador Partners, LTD for approximately 8,746 square feet of space at 100 Main Street, 76102 for the new downtown library.

**DISCUSSION:**

The City of Fort Worth (City) and Pescador Partners,LTD (Landlord) have been in discussions and are in agreement for the City to lease 5,015 square feet of space on the ground floor and 3,371 square feet of space in the basement located at 100 Main Street, 76102 located at the intersection of Main Street and Weatherford Street, across from the Tarrant County Courthouse for the new downtown library location.

The City's Library Department, with assistance from the City's Property Management Department, have come to an agreement with Landlord on the following lease terms as follows:

The terms are as follows:

- 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.
- Provide for two (2) five (5) year lease renewal options at the end of the primary lease term.
- Base rent schedule:
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**New Downtown Library**  
**100 N Main St., Fort Worth, Texas 76102**

**Base Rent Schedule**

**First Floor (5,105 SF)**

Term	Price Per SF		Annual Base Rent	Monthly Base Rent
Months 1 - 3	\$0.00	\$0.00	\$0.00	\$0.00
Year 1	\$25.00	\$125,375.00	\$10,447.92	
Year 2	\$25.50	\$127,882.50	\$10,656.88	
Year 3	\$26.00	\$130,390.00	\$10,865.83	
Year 4	\$26.50	\$132,897.50	\$11,074.79	
Year 5	\$27.00	\$135,405.00	\$11,283.75	
Year 6	\$27.50	\$137,912.50	\$11,492.71	
Year 7	\$28.00	\$140,420.00	\$11,701.67	
Year 8	\$28.50	\$142,927.50	\$11,910.63	
Year 9	\$29.00	\$145,435.00	\$12,119.58	
Year 10	\$29.50	\$147,942.50	\$12,328.54	
Total		\$1,366,587.50		

**Basement (3,731 SF)**

Term	Price Per SF		Annual Base Rent	Monthly Base Rent
Months 1 - 3	\$0.00	\$0.00	\$0.00	
Year 1	\$18.00	\$67,158.00	\$5,596.50	
Year 2	\$18.50	\$69,023.50	\$5,751.96	
Year 3	\$19.00	\$70,889.00	\$5,907.42	
Year 4	\$19.50	\$72,754.50	\$6,062.88	
Year 5	\$20.00	\$74,620.00	\$6,218.33	
Year 6	\$20.50	\$76,485.50	\$6,373.79	
Year 7	\$21.00	\$78,351.00	\$6,529.25	
Year 8	\$21.50	\$80,216.50	\$6,684.71	

Year 9	\$22.00	\$82,082.00	\$6,840.17
Year 10	\$29.50	\$110,064.50	\$9,172.04
Total		\$781,644.50	

<b>Grand Total Base Rent for 10 year term</b>	<b>\$2,148,232.00</b>
<b>Average per year</b>	<b>\$214,823.20</b>

- City will be responsible for the proportionate share of the building's used electricity which will be a pass-through cost separate from the Rent for the Leased Premises which will be approximately \$1.50 per square foot for the first year of the term. For every year thereafter throughout the term, electricity expenses will not exceed 15% of the per square foot amount from the prior year. If for any given year throughout the term the pass-through electricity expenses will exceed 15% of the prior year's per square foot electricity cost, the parties may agree to amend the Lease to reflect the additional cost.
- The Security Deposit due to Landlord by City at the beginning of the Lease will be one month's base rent from Year 1 amounts.
- The base rent and utilities reflect below Fair Market Value for like properties in the Fort Worth Central Business District.
- The Landlord has agreed to install a new entrance door from the street at the Landlord's expense.
- As a requirement by Landlord, City will be responsible for paying a proportionate share of the cost for the installation by Landlord of an elevator key pad system which will be utilized by each of the tenants in the building. The City's proportionate share of these costs will be an upfront amount of \$5,000.00 to be paid at the beginning of the Lease.
- Tenant improvements to the Leased Premises will be at the City's expense which are estimated to be approximately \$130,000.00. City plans to utilize existing job order contracts for the finish out of the Leased Premises. Funding for the tenant improvements will be from the proceeds of the sale of the old downtown library which will be appropriated in a separate M&C.
- As an additional requirement under the Lease, City will be responsible for providing security guard services for the Leased Premises during Library hours which will include making exterior passes around the building during that same time frame.
- 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 9.

**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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