

# Mayor and Council Communication

**DATE:** 12/10/24

**M&C FILE NUMBER:** M&C 24-1094

**LOG NAME:** 21CASAMANANA PARTNERSHIP FUNDS REIMBURSEMENT FOR IMPROVEMENTS

## **SUBJECT**

(CD 7) Authorize the Execution of a Lease Addendum to the Lease Agreement between the City of Fort Worth and Casa Manana, Incorporated to Authorize City of Fort Worth Funding Participation of Up to \$200,000.00 for the Building Systems Repairs and/or Replacements in Fiscal Years 2024 and 2025 to the Casa Manana Facility, Located at 3101 West Lancaster Avenue, to be Completed at the Expense of Casa Manana; Authorize the Execution of a Fourth Lease Amendment to the Lease Agreement to Extend the Term for an Additional Twenty (20) Years Commencing on January 1, 2035 to December 31, 2054; Authorize the Contribution to Casa Manana, Incorporated in the Amount Up to \$200,000.00 as a One-Time Capital Contribution to Support Repairs and/or Replacements to the Facility for Fiscal Years 2024 and 2025; Adopt the Attached Appropriation Ordinance Adjusting Estimated Receipts and Appropriations in the General Capital Projects Fund by Increasing Estimated Receipts and Appropriations in the Casa Manana Building Improvements Project (City Project No. 105881) in the Amount Up to \$200,000.00 and Decreasing Estimated Receipts and Appropriations in the Future Community Partnerships Programmable Project (City Project No. P00047) by the Same Amount to Fund a One-Time Capital Contribution to Support the Repairs for Fiscal Years 2024 and 2025; Amend the Fiscal Years 2025 - 2029 Capital Improvement Program

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## **RECOMMENDATION:**

It is recommended that the City Council:

1. Authorize the execution of a lease addendum to the lease agreement between the City of Fort Worth and Casa Manana, Incorporated to authorize City of Fort Worth funding participation of up to \$200,000.00 for the building systems repairs and/or replacements in Fiscal Years 2024 and 2025 to the Casa Manana facility, located at 3101 West Lancaster Avenue, to be completed at the expense of Casa Manana;
2. Authorize the execution of a fourth lease amendment to the lease agreement to extend the term for an additional twenty (20) years commencing on January 1, 2035 to December 31, 2054;
3. Authorize the contribution to Casa Manana, Incorporated in the amount up to \$200,000.00 as a one-time capital contribution to support repairs and/or replacements to the facility for Fiscal Years 2024 and 2025;
4. Adopt the attached appropriation ordinance adjusting estimated receipts and appropriations in the General Capital Projects Fund by increasing estimated receipts and appropriations in the Casa Manana Building Improvements project (City Project No. 105881) in the amount up to \$200,000.00 and decreasing estimated receipts and appropriations in the Future Community Partnerships programmable project (City Project No. P00047) by the same amount to fund a one-time capital contribution to support the repairs for Fiscal Years 2024 and 2025; and
5. Amend the Fiscal Years 2025 - 2029 Capital Improvement Program.

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## **DISCUSSION:**

The City of Fort Worth (City) and Casa Manana, Incorporated (CMI) have negotiated an agreement to facilitate City participation of funding of the building systems repairs and/or replacements, if needed, to the Casa Manana facility located at 3101 West Lancaster Avenue. Planned improvements include various mechanical, electric and plumbing systems (Improvements).

The total estimated cost of the five year project for CMI is \$3,000,000.00 and the City has agreed to reimburse CMI fifty (50) percent of the actual costs up to a maximum of \$200,000.00 for the fiscal years of 2024 and 2025.

This Mayor and Council Communication (M&C) authorizes reimbursement for improvements completed in fiscal year 2024 and fiscal year 2025 with future funding requests from CMI for each fiscal year to be submitted to the City for consideration, contingent upon funding availability.

Under the terms of the agreement, CMI will complete the improvements at their expense according to the following conditions:

- CMI must submit planned improvements to the City for approval prior to construction, utilize the competitive bidding process if required, and obtain all required permits and provide and maintain necessary insurance during construction of the Improvements. CMI has also agreed to obtain any necessary financing for constructing the improvements.
- The total estimated cost of the project for CMI for fiscal year 2024 and fiscal year 2025 is \$400,000.00 and the City will reimburse CMI fifty (50) percent of the actual costs up to a maximum reimbursement of \$200,000.00 from Community Partnership Funds.
- For future annual reimbursements, CMI will submit the improvement plan and cost for the improvements to be completed by CMI each year, per the terms in the lease addendum, for City approval and each annual reimbursement is contingent upon City funding availability.
- To qualify for reimbursement each year, CMI will submit to City all required documentation, per the terms in the lease addendum, for approval before reimbursement is processed.

The funding for this contribution is available in the Future Community Partnerships Programmable project within the General Capital Projects Fund to fulfill the City's commitment to assist. The Future Community Partnerships project is a holding place for monies the City has committed to be available for use in conjunction with community partners for capital improvements. The year to date funding in the programmable project is:

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	FY2025 Beginning Balance	Authority	Budget Adjustment	FY2025 Remaining Balance
Future Community Partnerships (P00047)	\$2,154,621.00	This M&C	(\$200,000.00)	\$1,954,621.00

The action in this M&C will amend the Fiscal Years 2025 - 2029 Capital Improvement Program as approved in connection with Ordinance 27107-09-2024 Section 8. CAPITAL IMPROVEMENTS.

CMI has also requested a twenty (20) year extension to the Lease Agreement with the City to commence on January 1, 2035 and expire on December 31, 2054 in consideration for their contribution to the additional improvements.

All other terms under the lease and subsequent renewals and amendments shall remain in effect.

The Casa Manana Theater is in COUNCIL DISTRICT 7.

**FISCAL INFORMATION / CERTIFICATION:**

The Director of Finance certifies that funds are currently available in the Future Community Partnerships programmable project within the General Capital Projects Fund and upon approval of the above recommendations and adoption of the attached appropriation ordinance, funds will be available in the General Capital Projects Fund for the Casa Manana-Building Improve. project to support the approval of the above recommendations and execution of the agreement. Prior to an expenditure being incurred, the Property Management Department will have the responsibility to validate the availability of funds.

**Submitted for City Manager's Office by:** Dana Burghdoff 8018

**Originating Business Unit Head:** Marilyn Marvin 7708

**Additional Information Contact:**  
Ricardo Salazar 8379  
Mark Brown 5197