



**To the Mayor and Members of the City Council**

**June 16, 2020**

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**SUBJECT: LEASE OF CITY OWNED PROPERTY TO SUPPORT INNOVATIVE MOBILITY AND TRANSPORTATION SOLUTIONS AT ALLIANCE**

The purpose of this report is to provide Mayor and Council with information concerning a proposed lease agreement with a Hillwood entity ("Hillwood") for use of 2.5 acres of land at the Fort Worth Alliance Maintenance Base, located at 2000 Eagle Parkway, to support innovative mobility and transportation solutions. Hillwood proposes to construct a 9,800 square foot truck maintenance facility and sublease it to a leader in self-driving technology making the way for long-haul heavy-duty trucks to operate autonomously on both highways and surface streets.

Hillwood has been working with the prospective tenant to locate a property that provides adequate space to facilitate the construction of a truck maintenance facility and accommodate truck parking associated with their operations. Property located within the Alliance Maintenance Base is available (see attached) and can meet their tenant needs.

A proposed lease agreement has been reached with Hillwood under the following terms:

**Lease Premises:**

Approximately 2.5 acres of land

**Expansion Property Option:**

Approximately 2.8 acres of land

**Term:**

Primary term of five (5) years with one extension option of five (5) years

**Base rent for Lease Premises:**

<b>Time Period</b>	<b>Yearly Ground Rate Per Square Foot</b>	<b>Monthly Rent</b>
July 1, 2020 - June 30, 2021	\$0.44	\$3,993.00
July 1, 2021 - June 30, 2022	\$0.50	\$4,537.50
July 1, 2022 - June 30, 2023	\$0.58	\$5,263.50
July 1, 2023 - June 30, 2024	\$0.65	\$5,898.75
July 1, 2024 - June 30, 2025	\$1.18	\$10,708.50

**Other Terms:**

1. Five (5) year lease extension at market rate to be determined based on an appraisal of the property commissioned on behalf of the City. In no instance will the annual rent amount during the extension period be less than \$0.95 per SF.
2. City receives ownership of the building improvements at end of lease term.
3. Actual value of building improvements must meet or exceed \$1.25M.



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4. Hillwood shall have the right to expand the leased premises to include an adjoining 2.8 acres of land during the primary term of the lease. If a third party presents an offer to the City to lease the expansion area, Hillwood will have 30 days to exercise their option to expand the leased premises.

5. Hillwood is responsible for all costs associated with the installation of the building improvements, including permitting, infrastructure improvements and connection of utilities and utility services.

Unless directed otherwise, the Property Management Department will proceed with final lease negotiations and present the lease agreement for City Council consideration on June 23.

Questions regarding the proposed lease should be directed to Roger Venables, Assistant Director, Property Management Department, at 817-392-6334.

This property is located in Council District 7.

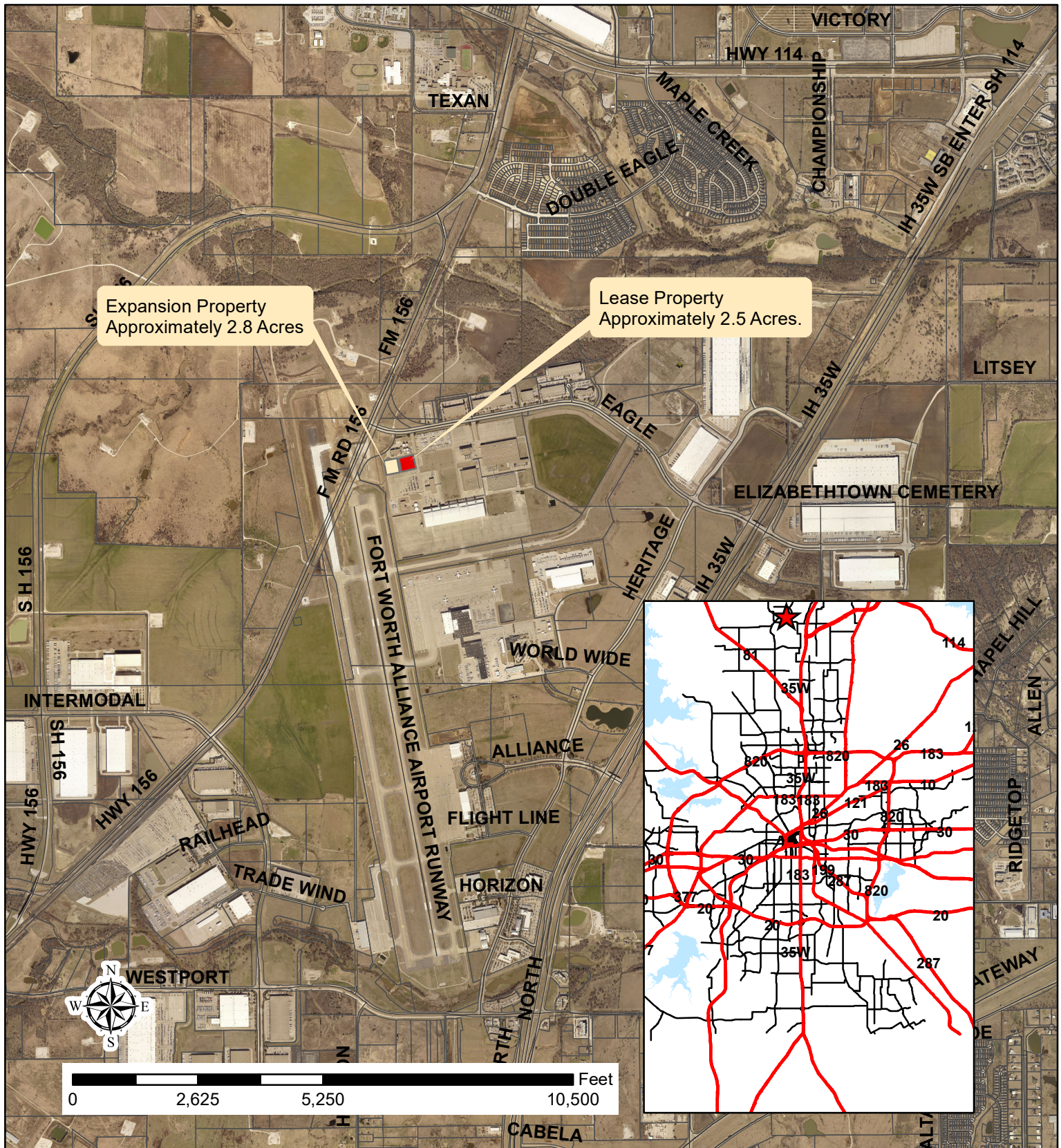
**David Cooke**  
**City Manager**



# INFORMAL REPORT TO MAYOR AND COUNCIL

## HILLWOOD LEASE - PROPERTY LOCATION MAP

### Council District 7



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