

WHEREAS, the present customer parking lots and parking garages at Dallas Love Field Airport are insufficient to meet current and future airport parking needs year-round; and,

WHEREAS, Scarborough Forest Park IV, LP (“Lessor”) is the owner of approximately 13.442 acres of land and improvements located at 6814 Harry Hines Boulevard, Dallas, Texas 75235 and being in the vicinity of Dallas Love Field; and,

WHEREAS, Lessor has agreed to: (1) lease the entire 13.442 acres of land and all improvements to the City of Dallas (“City” or “Lessee”) under a thirty-year lease agreement to develop Dallas Love Field parking, and (2) grant the City the option to purchase the entire property during the lease term based on a purchase schedule or at the end of the lease term for \$100; and,

WHEREAS, the long-term lease of parking capacity from Lessor and purchase option, together with other lands and facilities being acquired by the City, will provide a solution to Dallas Love Field’s need for ample parking.

Now, Therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DALLAS:

Section 1. The City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute a lease agreement with Scarborough Forest Park IV, LP, a Texas Limited Partnership, as Lessor, and the City of Dallas, as Lessee, for approximately 13.442 acres of land and improvements located at 6814 Harry Hines Boulevard, Dallas, TX 75235 to be used primarily as vehicular parking and for other lawful uses at the discretion of the City for Dallas Love Field.

Section 2. The special terms and conditions of the lease are:

- a) The lease is for a term of thirty (30) years effective July 17, 2015. The estimated monthly rental shall be \$208,333.33 and shall consist of a base monthly rental of \$174,393.76, a monthly tax payment, and a monthly insurance payment.
- b) The leased premises shall be delivered to the City in its present “AS IS” condition without repair, alteration or improvement by Lessor and without representation or warranty as to fitness for purpose or habitability.
- c) The City shall at its expense, construct certain alterations to the Leased Premises including (i) re-paving, striping, lighting, and securing the lot.

- d) The City may not sublet or assign its rights under the lease without Lessor's consent.
- e) The City shall pay all operating expenses for the Leased Premises, including utilities, property taxes, insurance, (self-insurance being allowed), repair and maintenance.

Section 3. In addition to the Lease, the City Manager, upon approval as to form by the City Attorney, is hereby authorized to execute a Purchase Option agreement with Scarborough Forest Park IV, LP, as Optioner, and the City, as Optionee, granting the City the right to acquire in fee approximately 13.442 acres of land located at 6814 Harry Hines Blvd., Dallas, TX 75235 at the end of the thirty (30) year lease term for and in consideration of the full payment of rents under the Lease and an additional \$100 exercise price.

Section 4. The special terms and conditions of the option agreement are:

- a) The property shall be conveyed "AS IS, WHERE IS, AND WITH ALL FAULTS".
- b) The City shall pay all closing costs.
- c) The option to purchase the property for \$100 may be exercised by the City to close at the end of the term of the Lease (month 360). The City may exercise the option such that it closes before expiration of the full lease term in which event the purchase price shall be as follows:
 - (i) \$28,163,488.22 if closing is to occur during Lease months 60-119;
 - (ii) \$25,217,052.20 if closing is to occur during Lease months 120-179;
 - (iii) \$21,311,366.60 if closing is to occur during Lease months 180-239;
 - (iv) \$16,134,135.56 if closing is to occur during Lease months 240-299;
 - (v) \$9,271,391.33 if closing is to occur during Lease months 300-359;
- d) The City shall receive, upon exercise of the option, conveyance of the property by Special Warranty Deed subject to only those matters of record as of the date of the option agreement.

Section 5. That subject to appropriations the Chief Financial Officer is hereby authorized to draw warrants payable to Scarborough Forest Park IV, LP the first day of each month in advance during the lease term and charge same to AVI Operation Fund 0130, Unit 7751, Agency AVI, Object 3330, Program No. AV7751, Vendor No. VS87886, and Encumbrance No. as follows:

Year 1 through Year 30: \$75,000,000 (\$208,333.33 per month) (subject to appropriations)

<u>Year</u>	<u>Encumbrance No.</u>	<u>Amount</u>
Year 1	AVI7751SFPYR1	2,500,000.00
Year 2	AVI7751SFPYR2	2,500,000.00
Year 3	AVI7751SFPYR3	2,500,000.00
Year 4	AVI7751SFPYR4	2,500,000.00
Year 5	AVI7751SFPYR5	2,500,000.00
Year 6	AVI7751SFPYR6	2,500,000.00
Year 7	AVI7751SFPYR7	2,500,000.00
Year 8	AVI7751SFPYR8	2,500,000.00
Year 9	AVI7751SFPYR9	2,500,000.00
Year 10	AVI7751SFPYR10	2,500,000.00
Year 11	AVI7751SFPYR11	2,500,000.00
Year 12	AVI7751SFPYR12	2,500,000.00
Year 13	AVI7751SFPYR13	2,500,000.00
Year 14	AVI7751SFPYR14	2,500,000.00
Year 15	AVI7751SFPYR15	2,500,000.00
Year 16	AVI7751SFPYR16	2,500,000.00
Year 17	AVI7751SFPYR17	2,500,000.00
Year 18	AVI7751SFPYR18	2,500,000.00
Year 19	AVI7751SFPYR19	2,500,000.00
Year 20	AVI7751SFPYR20	2,500,000.00

<u>Year</u>	<u>Encumbrance No.</u>	<u>Amount</u>
Year 21	AVI7751SFPYR21	2,500,000.00
Year 22	AVI7751SFPYR22	2,500,000.00
Year 23	AVI7751SFPYR23	2,500,000.00
Year 24	AVI7751SFPYR24	2,500,000.00
Year 25	AVI7751SFPYR25	2,500,000.00
Year 26	AVI7751SFPYR26	2,500,000.00
Year 27	AVI7751SFPYR27	2,500,000.00
Year 28	AVI7751SFPYR28	2,500,000.00
Year 29	AVI7751SFPYR29	2,500,000.00
Year 30	AVI7751SFPYR30	2,500,000.00

Section 6. That the Chief Financial Officer is hereby authorized to draw warrants payable to the respective utility, communication, and security companies upon the receipt of a bill for charges throughout the term of the lease.

Section 7. That this resolution shall take effect immediately from and after its passage in accordance with the provision of the Charter of the City of Dallas and it is accordingly so resolved.

APPROVED BY
CITY COUNCIL

MAY 27 2015


City Secretary