



cary.moon@fortworthtexas.gov

Office (817) 392-8804

Mobile (682)215-7247

From the desk of:
Councilmember Cary Moon

THIS IS A GOOD DEAL

The M&C Agenda Item on 12/15 is to approve the acquisition of a 18-story building to serve as the new Fort Worth City Hall. The class A office building is off W 7th St and commonly known as the Pier One Building.

Acquiring a new city hall has been on the long-range plan for our city. The current City Hall opened in 1971. Today, Fort Worth is 12th largest city with a population of 900k and employing 7000.

The new city hall acquisition is part of a larger real estate plan that allows us to consolidate multiple city owned properties, to cancel leases for non-owned city properties, to dispose of surplus properties, and to recognize new lease income from commercial tenants.

The total financing to complete the larger real estate plan is estimated at \$100M, of which \$70M is for the acquisition of the Pier One building.

Some Numbers to Share:

1. \$69.5M acquisition cost of 440SF class A office space.
2. \$158/SF: below market value.
3. \$30M additional financing needed to renovate the new city hall and to repurpose the old city hall.
4. \$100M Total Financing Package for acquisitions and renovations vs. \$200M + cost to build.

Council Member Cary G. Moon

City Council District 4 ★200 Texas Street ★Fort Worth, Texas 76102

(817) 392-8804★district4@fortworthtexas.gov



5. \$3M: new lease income realized from current tenants of the new city hall building.
6. \$987k annual savings recognized by terminating leases of non-owned properties and relocations of those city services.
7. 1.9%: the long-term debenture pricing the city has realizing on new debt in 2020.
8. \$6.6M of annual debt service for the \$100M in new debt.
9. \$4M: the combined new lease income and savings recognized in terminating leases.
10. \$66M: The amount of long-term debt serviced by the combined new income realized and lease savings recognized.
11. 4 separate buildings (363k SF) can be sold.
12. \$35M: the sales price we need to sell the 4 buildings to break even on the \$100M of new debt, net the new lease income and savings of lease expense.
13. \$97/SF: the price per SF that we would need to sell the 4 surplus properties.
14. 18 or 20 Story building? Floor 4 and 13 do not exist due to numbers 4 and 13 being bad luck in the US and Asian markets (Pier One Imports).

Being good stewards of taxpayer's funds is always top priority for my office. The acquisition of this building in part of a larger real estate plan that is a good deal. The purchase price, the price/SF, the low interest rates on the financing obtained, the new lease income to realize, the lease expense savings to be recognized, are all favorable for financial transactions for our taxpayers.