

Lake Worth Leases



Presented by
Property Management Department
May 9, 2016

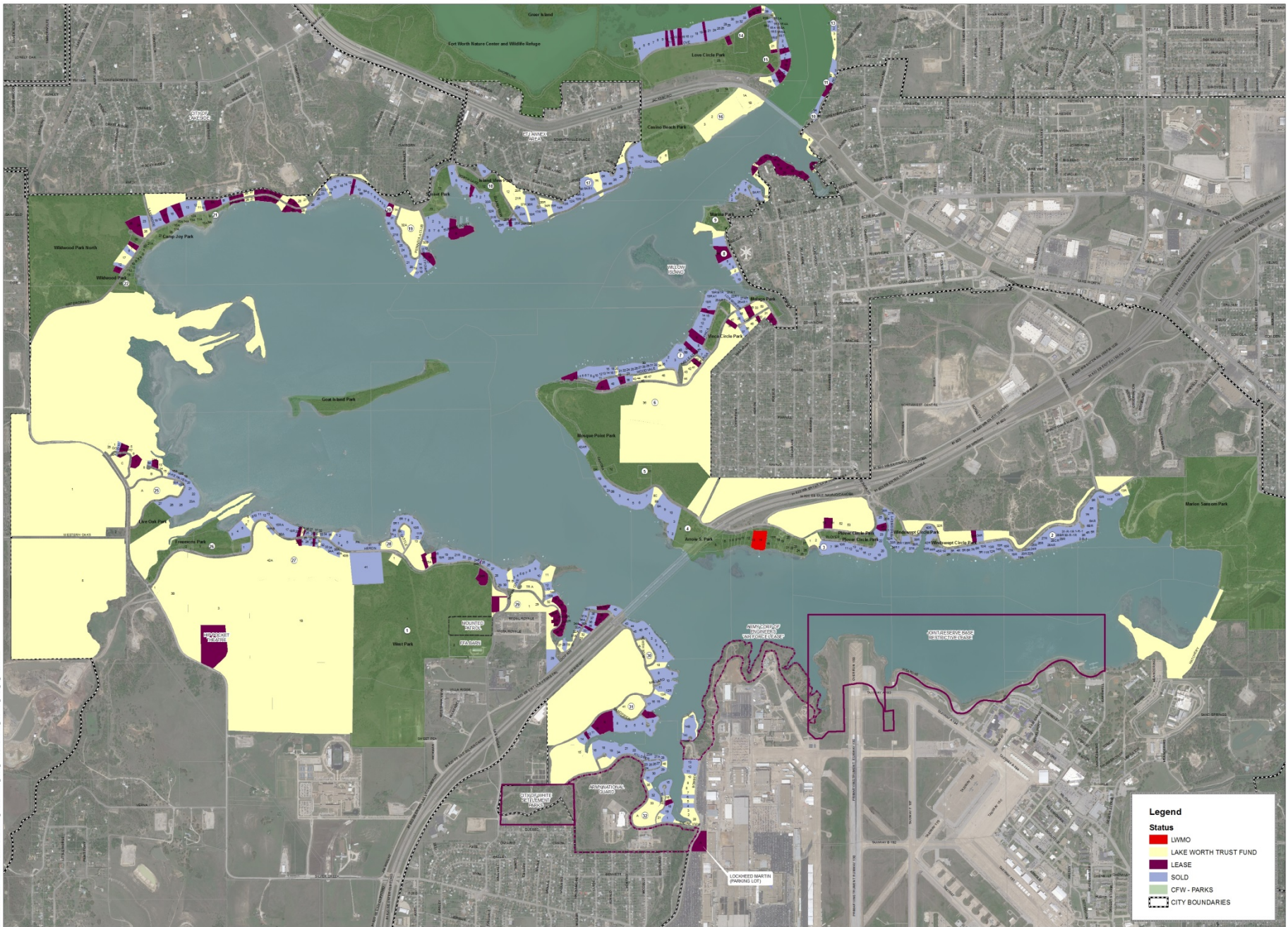
History of Lake Worth Leases

- Originally a one year permit for fishing camps only
- Gradually moved to 50 year leases between 1982-2032
- Some leased properties with municipal water or sewer were offered for sale by sealed bid
- In 2002, the leased properties that could be platted were offered for sale at a one-time \$500 option to purchase when municipal water and/or sewer was available
- The option was for a 10 year period with the expectation that water and/or sewer would be completed by 2012

History of Lake Leases

- Due to change in State Law regarding On Site Sewer Facility (OSSF) some options could not be exercised per Purchase Option Agreement
- Properties non-compliant with Fort Worth platting ordinances were not offered an option to purchase

2016 LAKE WORTH LEASES



Legend

- LWMO
- LAKE WORTH TRUST FUND
- LEASE
- SOLD
- CFW - PARKS
- CITY BOUNDARIES



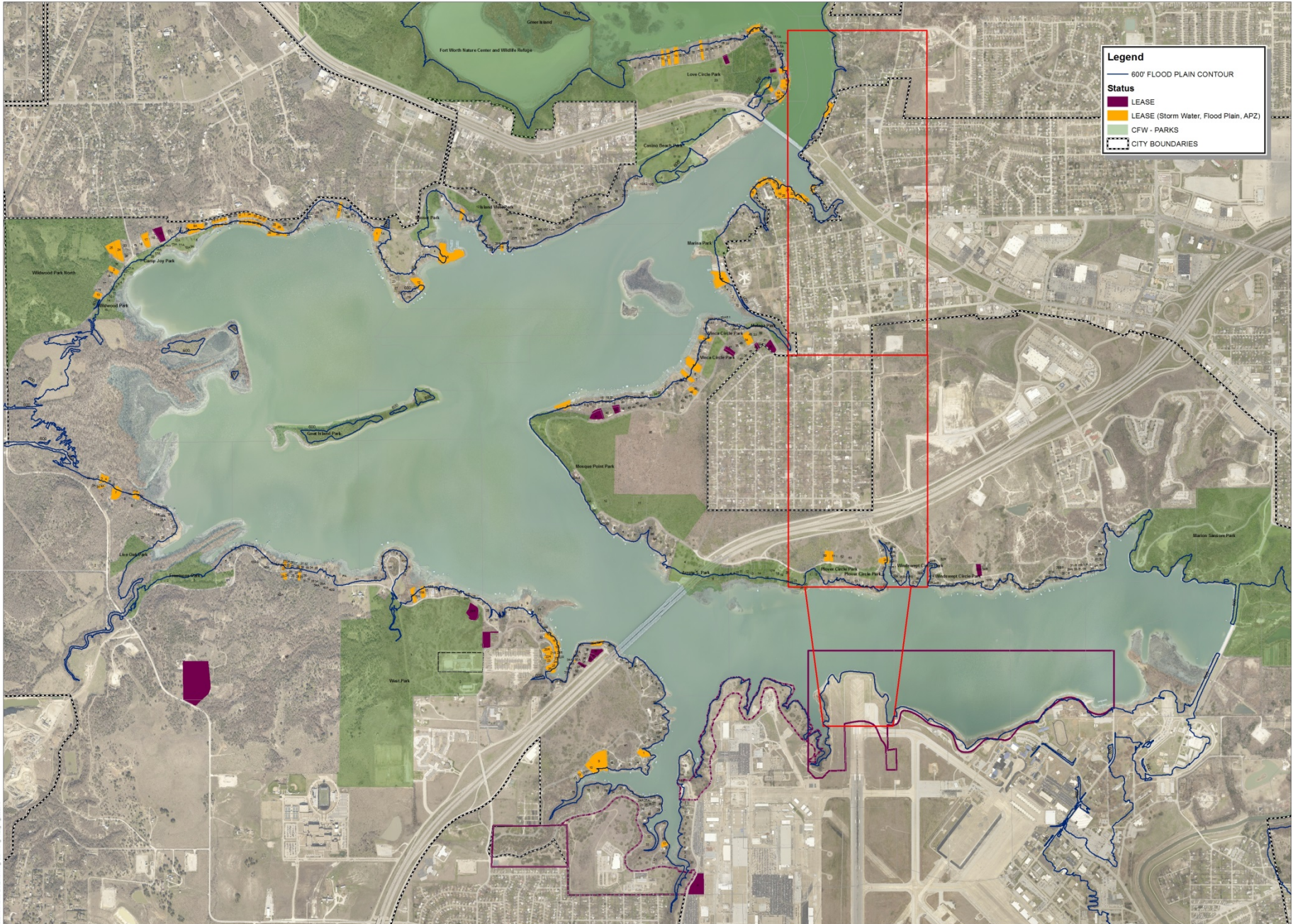
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Created by: RD, MARCH 18, 2016



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LAKE WORTH LEASED PROPERTIES



Legend

- 600' FLOOD PLAIN CONTOUR
- Status**
- LEASE
- LEASE (Storm Water, Flood Plain, APZ)
- CFW - PARKS
- - - CITY BOUNDARIES



2016 LAKE WORTH UNPLATTED LEASES



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Created By: RB, MAY 6, 2016



Staff Recommendation to City Council

- Create a plan for an option to sell leased property that provides for the following:
 - Allows all current leased residential properties with current residential improvements to be made available for sale to lease holder
 - Identifies processes for platting where needed
 - Sets timeline for sewer service to leased lots
- Keep commercial properties under current leases
- Prevent new leases on City owned vacant lots

Why a new Lease

Old Lease Issues

- Occupied properties in 100 year flood plain
- Occupied properties in APZ
- Some properties cannot be platted under Fort Worth Platting Ordinances
- City sewer not available to all lease properties making them undevelopable
- Leases do not provide for clear end of term processes
- Many current lease holders would like to purchase property now

New Lease – Option to Purchase Agreement

- Provides opportunity for current Lessees to purchase leased land
- Identifies plan to address platting
- Creates opportunity for future development of properties
- Preserves residential improvement values
- Identifies sewer connection timelines for lease properties

Steps to move forward

- May through July, 2016
 - Property Management Staff will meet with individual lease holders as requested to discuss specific lease issues
 - Property Management meets with Development Department on Platting issues
 - Property Management meets with Water Department to determine time frame for sewer connections to all properties
 - Property Management and Law Department develop new lease that Staff will recommend
 - Lessees have opportunity to schedule additional meeting with staff regarding properties with platting issues

Steps continued

- August, 2016
 - Staff provides City Council with updated recommendation and proposed sale terms
 - City Council considers resolution on policy regarding Lake Worth leased properties
- September, 2016 forward
 - Property Management Department begins the document processing for option agreements and sales contracts

Meetings to Discuss Issues

- Most meetings scheduled with staff between May 18th and June 8th
- Additional times will be made available after June 8th if needed

NOTE:

- **Meetings do not bind the Lessee to purchase leased lot**
- **Lease stays as is if Lessee chooses not to exercise opportunity to meet with staff**

New Option Agreement and Lease Thoughts

- A one time new Lease and Option Agreement required to be signed within six months of Council decision
 - If signed, lessee will be bound by New Lease terms and will not revert back to current lease
 - New Lease will be for one year if sewer is available, longer if not available
 - Sale of property must occur prior to end of New Lease term; lease term will have no extensions
 - New Lease will be for one year if sewer is available, longer if not available

New Option Agreement and Lease Thoughts

- Property appraisal will be required
- Leased lot must be connected to sewer prior to closing
- Purchased property will be closed at a Title Company