COMMISSIONERS COURT COMMUNICATION

COURT ORDER NUMBER 145782

DATE: 8/19/2025

SUBJECT: **CONSIDERATION OF AMENDMENT NO. 5 TO THE LEASE AGREEMENT BETWEEN TARRANT COUNTY AND TARRANT COUNTY HOSPITAL DISTRICT FOR SPACE LOCATED AT THE RESOURCE CONNECTION CAMPUS**

***** CONSENT AGENDA *****

COMMISSIONERS COURT ACTION REQUESTED

It is requested that the Commissioners Court consider Amendment No. 5 to the Lease Agreement between Tarrant County and Tarrant County Hospital District (TCHD) for office space located at 1400 Circle Drive and 2500 Circle Drive.

BACKGROUND

On September 24, 2019, the Commissioners Court, through Court Order #131169, approved a new lease agreement to occupy properties located at 1400 Circle Drive, Suite 200 (10,540 square feet) and 2500 Circle Drive (39,800 square feet), Fort Worth, Texas for use as its JPS Health Center South Campus. The combined usable square footage of the premises is 50,340 square feet. TCHD has occupied this leased space under previous agreements with Tarrant County.

On October 13, 2020, the Commissioners Court, through Court Order #133975, approved Amendment No. 1 to the lease to increase the occupancy cost by a total of sixty cents ($0.60) per square foot per year effective October 1, 2020.

On October 3, 2023, the Commissioners Court, through Court Order #141853, approved Amendment No. 2 to the lease to increase the occupancy cost and extended the lease through September 30, 2025.

On June 18, 2024, the Commissioners Court, through Court Order #143359, approved Amendment No. 3 to reduce the square footage occupied in a building located at 2500 Circle Drive effective May 1, 2024. The new combined square footage of building 1400 and building 2500 is 46,798 square feet.

On September 4, 2024, the Commissioners Court, through Court Order #143823 approved Amendment No. 4 to increase the occupancy cost to reflect the fiscal year 2025 rates starting October 1, 2024.

With approval of Amendment No.5, the lease will be amended to reflect a change to the following sections of the current lease.

1. Section 1.4 (B) of the Lease shall be amended to read as follows:

"B. Street address: 1400 Circle Drive, Suite 200, Fort Worth, Tarrant County, Texas."

SUBMITTED BY	Resource Connection	PREPARED BY:	Jamie Willis
		APPROVED BY:	Jamie Willis

2. Section 1.4 (C)(2) of the Lease is hereby deleted in its entirety.

3. Section 1.4 (C)(3) of the Lease is hereby deleted in its entirety.

4. Section 1.04 (D) of the lease shall be amended to read as follows:
"D. Utilities, Common Area Expenses and Trash: For Lessee's occupancy at the 1400 Building Lessee shall pay for Utilities at the annual rate of $3.15 per Lessee USF (as defined in Section 1.07 below) of occupied space at the 1400 Building. For Lessee's occupancy in the 1400 building, Lessee shall pay Common Area Expense at the initial annual rate of $0.48 per Lessee USF and Trash Compaction and Disposal at the initial annual rate of $0.07 per Lessee USF. The Utilities, Common Area Expenses and Trash Compaction and Disposal rates charged to Lessee hereunder shall be subject to annual, but no more than annual, reasonable changes to reimburse County for its actual costs to provide such services according to standard industry practices. An additional charge for trash compaction and disposal at the premises will be $100.00 per month for the 1400 Building. Trash collection at the premises will occur three (3) instances per week.

5. 2500 Building. From and after August 14, 2025 ("Termination Date)", Lessee shall no longer rent, use or otherwise occupy for any purpose any portion(s) of the 2500 Building, and the 2500 Building shall be excluded from the PREMISES for all purposes. Lessee shall no longer be obligated to make rent payments to Lessor after the Termination Date. Lessee shall no longer be responsible for any monetary or non-monetary Lease obligations with respect to the 2500 building after the Termination Date. Lessee shall pay rent and expenses under the existing terms of the Lease for the 2500 building until Lessee vacates 2500 Building on or before the Termination Date.

6. Usable Square Footage. Section 1.06 of the lease shall be amended so that the usable square footage (as defined in the LEASE) shall be reduced from 50,340 square feet to 10,540 square feet.

The Criminal District Attorney's Office has approved this amendment as to form.

FISCAL IMPACT

The occupancy revenue projected for FY 2025 is reduced by $31,070.38 per month for the remainder of FY 2025 and will decrease revenue in account 10000-2025 Resource Connection Fund – 3420100000 Resource Connection – 471001 Building Rental; 471008 Utility Billing; 471002 Other RC Rental (includes Common Area); and 471011 Janitorial/Disposal.

Tarrant County	**§**	**Resource Connection**
	§	**Lease Agreement Amendment No. 5**
State of Texas	**§**	**Tarrant County Hospital District**

BY THIS AMENDMENT NO. 5, Court Order 131169, dated the 24th day of September, 2019, by and between Tarrant County, hereinafter referred to as LESSOR, and Tarrant County Hospital District, hereinafter referred to as LESSEE, is hereby amended and supplemented in the following respects:

1. Section 1.04 (B) of the Lease shall be amended to read as follows:

   "B. Street address: 1400 Circle Drive, Suite 200, Fort Worth, Tarrant County, Texas."

2. Section 1.04 (C)(2) of the Lease is hereby deleted in its entirety.

3. Section 1.04 (C)(3) of the Lease is hereby deleted in its entirety.

4. Section 1.04 (D) of the Lease shall be amended to read as follows:
   "D. Utilities, Common Area Expenses and Trash: For Lessee's occupancy at the 1400 Building Lessee shall pay for Utilities at the annual rate of $3.15 per Lessee USF (as defined in Section 1.07 below) of occupied space at the 1400 Building. For Lessee's occupancy in the 1400 building, Lessee shall pay Common Area Expense at the initial annual rate of $0.48 per Lessee USF and Trash Compaction and Disposal at the initial annual rate of $0.07 per Lessee USF. The Utilities, Common Area Expenses and Trash Compaction and Disposal rates charged to Lessee hereunder shall be subject to annual, but no more than annual, reasonable changes to reimburse County for its actual costs to provide such services according to standard industry practices. An additional charge for trash compaction and disposal at the premises will be $100.00 per month for the 1400 Building. Trash collection at the premises will occur three (3) instances per week.

5. 2500 Building. From and after August 14, 2025 ("Termination Date)", Lessee shall no longer rent, use or otherwise occupy for any purpose any portion(s) of the 2500 Building, and the 2500 Building shall be excluded from the PREMISES for all purposes. Lessee shall no longer be obligated to make rent payments to Lessor after the Termination Date. Lessee shall no longer be responsible for any monetary or non-monetary Lease obligations with respect to the 2500 building after the Termination Date. Lessee shall pay rent and expenses under the existing terms of the Lease for the 2500 building until Lessee vacates 2500 Building on or before the Termination Date.

6. Usable Square Footage. Section 1.06 of the lease shall be amended so that the usable square footage (as defined in the LEASE) shall be reduced from 50,340 square feet to 10,540 square feet.

7. Lease Terms Affirmed. Except as herein modified, the LEASE and all its terms, covenants, and conditions shall remain in full force and effect and shall apply in all respects to this amendment.

FISCAL FUNDING ACKNOWLEDGMENT
Notwithstanding any language to the contrary, Tenant acknowledges TARRANT COUNTY is a governmental entity and agrees TARRANT COUNTY may terminate this Agreement for future fiscal years if sufficient funding is not appropriated or allocated.

Compliance with Laws. With respect to this lease, Lessor and Lessee must observe and comply with all applicable federal, state, and local statutes, ordinances, rules, and regulations, including, without limitation, workers' compensation laws, minimum and maximum salary and wage statutes and regulations, and non-discrimination laws and regulations. Lessor and Lessee shall be responsible for ensuring their own compliance with any laws and regulations applicable to their operation, including maintaining any necessary licenses and permits.

Tarrant County Hospital District acknowledges that it is a "governmental entity" and not a "business entity" as those terms are defined in Tex. Gov't Code § 2252.908, and therefore, no Form 1295 disclosure of interested parties pursuant to Tex. Gov't Code Section 2252.908 is required.

Both parties are in agreement as to the above. All other provisions of the above-mentioned Lease Agreement remain in full force and effect. This Amendment is effective upon execution of this addendum.

AGREED TO AND ACCEPTED this _____ day of _____, 2025.

TARRANT COUNTY
STATE OF TEXAS

By: Separate Electronic Signature Page
Tim O'Hare
County Judge

TARRANT COUNTY HOSPITAL DISTRICT
D/B/A JPS HEALTH NETWORK

By: _____
Karen Duncan
President and CEO

APPROVED AS TO FORM:

Craig Price
_____
Criminal District Attorney's Office*

*By law, the Criminal District Attorney's Office may only approve contracts for its clients. We reviewed this document as to form from our client's legal perspective. Other parties may not rely on this approval. Instead those parties should seek contract review from independent counsel.

Criminal District Attorney's Office*