August 3, 1940

Honorable Sam Bothwell, City Manager
City of Fort Worth
Fort Worth, Texas

Dear Mr. Bothwell:

Since the date of my last visit with you in Fort Worth I have had the opportunity of reviewing the lease contract in effect between American Airlines, Inc., and the City of Fort Worth for the use of the facilities at the Fort Worth Airport which are listed and included in that contract.

I have, further, gone thoroughly into the history of the negotiations which preceded the execution of that lease contract, including the obligations undertaken therein by American and by the City of Fort Worth and the rights accorded therein to the respective parties to the agreement.

Prior to the execution of the contract, April 29, 1932, the Southwest divisional headquarters of the company were maintained in Dallas. The majority of the personnel working in the shops, hangars and executive offices of the Southwest division were based in and made their home in Dallas. The major portion of the work in the shops and hangars was accomplished in Dallas and the operation of the Southwest division of the company was supervised from Dallas.

An office building, passenger station, hangar and overhaul building had been constructed for the use of the company at Dallas and the premises there were occupied by the company under the terms of a reasonable lease. There was no requirement at Dallas that the company construct with its own money any additional buildings, for the buildings there had been constructed for us, were adequate and were leased to us on a reasonable basis.

Discussions were had with the officials of our company by the city officials of Fort Worth, by representatives of the Fort Worth Chamber of Commerce and by representative citizens of Fort Worth. We were told that the City of Fort Worth had at that time an airport on which there was but little activity, that the City desired to encourage aviation industries to move to Fort Worth and to make their headquarters at the Fort Worth Airport, and that long term leases on a reasonable basis
would be made to companies if such headquarters were established in Fort Worth.

No buildings were available at the Fort Worth Airport suitable for the use of our operation. Although buildings had been constructed at Dallas for our use at the time the Southwest headquarters of the company were established there, we were informed that the City of Fort Worth was not at that time in position to construct hangars, shops and an office building for us in Fort Worth. Should we decide to remove our Southwest headquarters to Fort Worth at that time, it became apparent in the negotiations that it would be necessary for the company to invest its own funds in the erection of the buildings required and that was taken into consideration in the drafting of the contract between the City of Fort Worth and our company.

We did agree to move our Southwest headquarters to Fort Worth, involving the expense of moving our entire divisional personnel, including their families, from Dallas to Fort Worth. It required our removing our operating headquarters from buildings which we were able to lease in Dallas to buildings in Fort Worth which must be constructed with funds of our company.

Under date of April 29, 1932, a lease contract was entered into between our company and the City of Fort Worth. American, under the terms of that contract, obligated itself to perform the following things:

1. To construct and complete at its own expense and thereafter maintain during the term of the lease upon the Fort Worth Municipal Airport such buildings, improvements and facilities necessary for the housing and accommodation of its divisional headquarters for the Southern or Southwestern area of its air transportation operation, — the buildings to be constructed in conformity with plans satisfactory to the City as to design and architecture.

2. To connect such buildings with all public utilities as well as water and sewerage service lines, and to construct necessary ramps and aprons for the company's terminal operation.

3. To move its divisional headquarters from Dallas, Texas to Fort Worth and to thereafter maintain such equipment and activities at Fort Worth so long as the divisional offices for the Southern or Southwestern area of its operation was maintained in the Southwestern area of the United States.
The city was obligated by this contract to do the following:

1. To provide tracts of land on which the buildings described were to be constructed.

2. To permit full and free access, ingress and egress to, from and between the leased premises and all other non-exclusive areas of the airport.

3. To permit the company at all times during the term of the contract the full, free and non-exclusive use in common with others of the municipal landing field and airport, its ramps, runways, taxiways, passages and all air navigation facilities, conveniences and other appurtenances as then existed, or were to be provided later for flying purposes and a part of the landing field and terminal for the company's aircraft and vehicles.

4. To maintain said landing field and facilities in a reasonably safe and adequate condition, and at all times during the term hereof, meet the requirements of the governmental agency having jurisdiction thereof.

5. To permit the company the full and free non-exclusive use in common with others of the waiting rooms, hallways, passages, restrooms, reading rooms, toilet facilities and other passenger conveniences in any terminal building constructed during the term of the contract, and to lease to the company any exclusive areas in the terminal as required by the company at rates prescribed and enforced against other operating companies and individuals.

6. To assure the company upon the completion of the obligations herein undertaken on the part of the company that the city would not impose any other rentals, fees, charges or imposts against the company during the initial term of this lease for any of the rights described including any charges for landing or taking off of aircraft, or the servicing of passengers, freight, express or mail. However, it is incorporated in the contract that at the expiration of the first term that the company may renew for successive periods, and at that time the company shall pay to the City during such extended period or periods the same charges for the use of the landing field and landing facilities as the City is then charging other air transport companies of the same class.

The company has performed its obligations under the contract of April 29, 1932. It removed its headquarters for the Southwestern territory from Dallas to Fort Worth; it expended approximately $60,000.00 in fulfilling
its obligation with respect to that move and it, further, expended $119,000.00 in the construction of buildings on the Fort Worth Airport. It expended approximately $14,000.00 in making utility connections and in caring for the other obligations of that character specified by the lease. The expenditures listed amount to $193,000.00, all occasioned by our move from Dallas to Fort Worth for none of them would have been necessary had we kept our operating headquarters in Dallas.

Our removal of our Southwest headquarters to Fort Worth has resulted in substantially increased industrial activity in the Fort Worth city area. We now have 231 employees, and their families, living in or near the City of Fort Worth. The annual payroll for those people is approximately $625,000.00 per year.

The annual material expenditures for the Fort Worth base amounts to approximately $160,000.00 per year. Communication, transportation, hotel and other expenditures are approximately $70,000.00 per year. In addition to the payroll and purchases we are paying the utility companies of Fort Worth for electricity, gas, water, telephone, etc., approximately $20,000.00 per year.

Furthermore, we have been renting office space in the passenger terminal building at Fort Worth at a substantial rental although unoccupied office space was at the same time available in the building leased by the company on the airport. We have also been paying the City of Fort Worth $150.00 per month for the use of the Aero Shop Building at Fort Worth even though the space was not needed and adequate space was available in the building of the company there. We have endeavored to the best of our ability to cooperate with the City in building up the revenues of the airport.

We have endeavored to live up to and accomplish each and every one of the undertakings which are outlined by our contract with you. That we believe we have done and we are hopeful that, after full review of the matter, that you will agree that that has been done.

The contract of June 29, 1932 outlines in detail the charges which are to be paid by the company to the City of Fort Worth. We intend to continue to fulfill all the obligations imposed upon us by the contract. We hope that the City of Fort Worth will do likewise.

With kindest personal regards, I am,

Sincerely yours,

O. M. Mosier

cc Mr. Amon Carter - Fort Worth | Vice President

Mr. Raymond Buck - Fort Worth

Mr. Hollis Thompson - Los Angeles

Mr. Don Johnson - Fort Worth Chamber of Commerce

Mr. Willis Lipscomb - Dallas - Att: C. F. Hanners - Fort Worth